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TRAILBLAZERS

PLAINTIFFS' LAWYERS

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KASOWITZ BENSON TORRES LLP



PIONEER SPIRIT Steve Tountas graduated from law school during the era of Enron, WorldCom and other high-profile corporate fraud cases. “I wanted to work on financial fraud cases not only because they were a growing area of the law, but also because the folks who were affected the most needed top-notch legal representation. Unfortunately, that era has repeated itself a few times over.”

TRAILS BLAZED A key part of Tountas’ practice is focusing on direct actions, which have significantly increased the returns for his clients compared to passive class members. In a recent opt-out action involving Adeptus Health’s multibillion-dollar bankruptcy, he represented one of its top three shareholders. “Our client was a hedge fund that would have gotten almost nothing out of the bankruptcy. We filed the only opt-out, and demonstrated our trial threat from the outset, to position our client for a meaningful recovery.” In another direct action, Tountas pioneered a successful litigation strategy for a public pension fund against Valeant Pharmaceuticals by pursuing claims under the New Jersey RICO Act—a strategy that would later be adopted by other plaintiffs’ groups. And in a securities fraud class action involving Merck subsidiary Schering-Plough, Tountas secured a \$474 million settlement for an institutional investor. “If we had not pushed that case forward to the eve of trial, it would have settled for pennies on the dollar instead of a monumental amount.”

FUTURE EXPLORATIONS Tountas sees an increasing number of hedge funds and mutual funds preferring direct actions. “I think there will be a lot more scrutiny on how investment funds fulfill their fiduciary obligations, particularly when there are now proven strategies that will enhance and accelerate their recovery of fraud-related losses.”