

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND ERISA
LITIGATION

:
: Master File No.:
: 08 M.D.L. No. 1963 (RWS)

This Document Relates To:

: ECF Case
:
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Securities Action, 08 Civ 2793 (RWS);
*Kentmill Investments, Ltd. v. The Bear
Stearns Cos., Inc.*, No. 09 Civ. 00169
(RWS);
Crowe v. JPMorgan Chase & Co.,
No. 09 Civ. 00778 (RWS);
*Wang v. The Bear Stearns Companies Inc. et
al.*, No. 09 Civ. 1200 (RWS);
Ulie et al. v. Cayne et al., No. 09 Civ. 02050
(RWS)
*Financial Trust Co., Inc. v. The Bear Stearns
Cos. Inc.*, No. 10 Civ. 01226 (RWS)

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BRUCE S. SHERMAN,

Plaintiff,

:
: Index No.:
: 09 Civ. 8161 (RWS)

v.

BEAR STEARNS COMPANIES INC., JAMES
CAYNE, WARREN SPECTOR and DELOITTE &
TOUCHE LLP,

Defendants.
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CASE MANAGEMENT ORDER

WHEREAS, on January 6, 2009, the Court entered an Order Regarding: (1)
Consolidation Of Securities Actions, Appointment Of Lead Plaintiff And Approval Of Lead
Counsel; (2) Appointment Of Lead Counsel In Derivative Action; (3) Consolidation Of ERISA
Actions, Appointment Of Interim Lead Plaintiffs, Interim Lead Counsel and Interim Liaison

Counsel; and (4) Scheduling Of The Filing Of Consolidated Amended Complaints In Each of The Actions And Responses Thereto (the "January 6 Order");

WHEREAS, pursuant to the January 6 Order, various related securities actions were consolidated under the caption *In re The Bear Stearns Cos., Inc. Securities Litigation*, No. 08 Civ. 2793 (RWS) (the "Securities Action"), and the State of Michigan Retirement Systems was appointed Lead Plaintiff;

WHEREAS, the following captioned individual securities actions against The Bear Stearns Companies Inc. ("Bear Stearns") *et al.*, alleging violations of, *inter alia*, the federal securities laws, were filed in or transferred to this Court after entry of the January 6 Order:

Kentmill Investments, Ltd. v. The Bear Stearns Cos., Inc., No. 09 Civ. 00169 (RWS) (the "Kentmill Action");

Crowe v. JPMorgan Chase & Co., No. 09 Civ. 00778 (RWS) (the "Crowe Action");

Wang v. The Bear Stearns Companies Inc. et al., No. 09 Civ. 01200 (RWS) (the "Wang Action");

Ulie et al. v. Cayne et al., No. 09 Civ. 02050 (RWS) (the "Ulie Action");

Sherman v. Bear Stearns Cos., Inc., No. 09 Civ. 08161 (RWS) (the "Sherman Action");

and

Financial Trust Co., Inc. v. The Bear Stearns Cos. Inc., No. 10 Civ. 01226 (RWS) (the "Financial Trust Action");

WHEREAS, on January 21, 2009, February 10, 2009, March 2, 2009, March 18, 2009, September 30, 2009, and February 17, 2010, the Kentmill Action, the Wang Action, the Crowe Action, the Ulie Action, the Sherman Action, and the Financial Trust Action were assigned to this Court as related cases to the Securities Action;

WHEREAS, pursuant to the January 6 Order, plaintiff in the Sherman Action objected to consolidation of his action with the Securities Action;

WHEREAS, during oral argument held on October 28, 2009 on Sherman's objection to consolidation, the Court sustained Sherman's objection to consolidation and directed the parties to submit a proposed order;

WHEREAS, on January 19, 2011 this Court issued a decision denying the defendants' motions to dismiss the Securities Action; Accordingly, it is hereby

ORDERED as follows:

I. CONSOLIDATION OR COORDINATION

1. Pursuant to the January 6 Order, the Kentmill Action, the Crowe Action, the Wang Action, the Ulie Action, and the Financial Trust Action are consolidated with the Securities Action.
2. The objection of plaintiff in the Sherman Action to consolidation with the Securities Action is sustained. The Sherman Action shall be coordinated with the Securities Action.
3. The "Consolidated Actions" are defined as the Kentmill Action, the Crowe Action, the Wang Action, the Ulie Action, the Financial Trust Action, and any other individual action that alleges individual, rather than class, claims that has been or will be consolidated with the Securities Action. Specifically excluded from the definition of "Consolidated Actions" is the lead Securities Action prosecuted by Court-appointed Lead Plaintiff State of Michigan Retirement Systems.
4. The "Coordinated Actions" are defined as the Sherman Action, and any other action related to the Securities Action that is coordinated with the Securities Action.

5. The Securities Action together with the Consolidated Actions and the Coordinated Actions constitute "All Actions."

6. The requirement that any defendant named and served in any Consolidated or Coordinated Action must move, answer or otherwise respond in that action is stayed. If circumstances necessitate action by any plaintiff or defendant in any Consolidated or Coordinated Action to protect interests unique to such Consolidated or Coordinated Action plaintiff or defendant, such plaintiff or defendant may seek relief from the stay by appropriate motion. All defenses of any defendant named and served in any Consolidated or Coordinated Action, including but not limited to defenses based on lack of personal jurisdiction or lack of subject matter jurisdiction, are hereby preserved.

II. DUTIES OF LEAD COUNSEL

7. Discovery in All Actions shall proceed as follows as to that party:

8. Subject to paragraphs 9 and 11, below, Lead Counsel (as identified and approved in the January 6 Order) shall have the following responsibilities in the Securities Action and Consolidated Actions:

(a) Sign any consolidated class action complaint, motions, briefs, discovery requests, objections, or notices on behalf of all plaintiffs or those plaintiffs filing the particular papers.

(b) Conduct all pretrial proceedings on behalf of plaintiffs.

(c) Brief and argue motions on behalf of plaintiffs.

(d) Initiate and conduct discovery consistent with Section VI below.

(e) Speak on behalf of plaintiffs at any pretrial conference.

(f) Employ and consult with experts on behalf of plaintiffs.

(g) Conduct settlement negotiations with defense counsel on behalf of class action plaintiffs.

(h) Call meetings of counsel for plaintiffs.

(i) Distribute to all plaintiffs' counsel copies of all notices, orders, and decisions of the Court; maintain an up-to-date list of counsel available to all plaintiffs' counsel on request; keep a complete file of all papers and discovery materials filed or generated in the Securities Action which shall be available to all plaintiffs' counsel at reasonable hours, provided that such plaintiffs and their counsel become signatories to all confidentiality agreements in place for such discovery and bear all duplication and/or electronic discovery expenses.

(j) Keep Liaison Counsel, as defined in Section III, below, informed about discovery matters and other issues and proceedings of common interest to All Actions.

(k) Consult with Liaison Counsel to obtain the views of plaintiffs' counsel in the Consolidated and Coordinated Actions on proposed document requests, interrogatories, requests for admissions, depositions, motion practice, and litigation strategy, and incorporate those views wherever it is appropriate to do so.

9. Notwithstanding the responsibilities of Lead Counsel set forth above and those of Liaison Counsel set forth below, the firm serving as Liaison Counsel, **in the event that it has individual or divergent positions**, may, on behalf of plaintiffs in the Consolidated and Coordinated Actions, present written and oral arguments, conduct examinations of deponents, and otherwise act on behalf of plaintiffs in the Consolidated and Coordinated Actions as appropriate with respect to issues unique to the Consolidated or Coordinated Actions, provided that in doing so it: **(a) does not repeat arguments, questions or actions of Lead Counsel; and** **(b) coordinates such actions with Lead Counsel.**

III. APPOINTMENT AND DUTIES OF LIAISON COUNSEL

10. Boies, Schiller & Flexner, counsel for Bruce S. Sherman, is designated as Liaison Counsel.

11. Subject to paragraph 9, above, Liaison Counsel shall have the following responsibilities:

(a) Distribute to all counsel in the Consolidated and Coordinated Actions those materials that they need to review in order to form and to communicate their views regarding discovery, motion practice and settlement.

(b) Confer with all counsel in the Consolidated and Coordinated Actions to obtain their views regarding discovery and any issues that need to be communicated to Lead Counsel or to the Court.

(c) Communicate with Lead Counsel regarding any discovery that plaintiffs in the Consolidated or Coordinated Actions wish to take and regarding litigation strategy and motion practice.

(d) Communicate with the Court regarding any issue unique to the Consolidated or Coordinated Actions.

(e) Coordinate the taking of any discovery that is unique to the Consolidated or Coordinated Actions.

12. Liaison Counsel's activities on behalf of the Consolidated and Coordinated Actions shall not create an attorney-client relationship between Liaison Counsel and any plaintiff in any Consolidated or Coordinated Action.

13. Liaison Counsel's reasonable fees and expenses attributable to its liaison work on behalf of the Consolidated and Coordinated Actions shall be compensated out of any recoveries of the Consolidated and Coordinated Actions.

IV. SERVICE

14. Service by defendants of pleadings and all other papers on Lead Counsel and Liaison Counsel shall be deemed sufficient service in All Actions.

V. RESTRICTIONS

15. Except as contemplated in paragraphs 9, above, and 17, below, no attorney for any plaintiff in any Consolidated or Coordinated Action may contact defense counsel regarding discovery without the consent of Lead Counsel or, in the absence of such permission, leave of the Court. No attorney for any plaintiff in any Consolidated or Coordinated Action other than Liaison Counsel may contact Lead Counsel regarding discovery without being advised by Liaison Counsel that Lead Counsel has consented to the contact, or in the absence of such consent, leave of the Court.

16. Counsel may seek relief from these restrictions and from any of the provisions of this Order by application to the Court upon a showing of good cause. A showing of good cause regarding discovery issues includes a showing that the discovery issue is unique to a Consolidated or Coordinated Action.

VI. DISCOVERY

17. Discovery in All Actions shall proceed consistent with the following:

(a) Subject to paragraph 9, all discovery of defendants or third parties that is common to All Actions shall be conducted by Lead Counsel in the Securities Action.

(1) All documents produced in the Securities Action shall be made available and be deemed to have been produced in the Consolidated Actions and Coordinated Actions without further order of the Court.

(2) All depositions conducted in the Securities Action shall be deemed to have been conducted in the Consolidated Actions and Coordinated Actions without further order of the Court.

(3) All interrogatories answered in the Securities Action shall be deemed to have been answered in the Consolidated Actions and Coordinated Actions without further order of the Court.

(b) Subject to paragraph 9, discovery of defendants or third parties that is unique to the Consolidated or Coordinated Actions may be conducted by Liaison Counsel, provided the following procedures are followed:

(1) For document discovery directed at defendants or third parties, Liaison Counsel may serve its own sets of non-duplicative document requests addressed to issues unique to the Consolidated or Coordinated Actions, if any; any such discovery must be served within 10 business days of Lead Counsel's service of document requests.

(2) For interrogatories directed at defendants or third parties, Liaison Counsel may serve its own sets of non-duplicative interrogatories addressed to issues unique to the Consolidated or Coordinated Actions, if any; any such discovery must be served within 10 business days of Lead Counsel's service of interrogatories.

(c) For depositions of defendants or third parties, the parties will submit a deposition protocol.

18. Any of the parties to the Consolidated Actions or Coordinated Actions may seek the Court's intervention on any issues that arise as a result of the foregoing or if such party or parties believe(s) that the above procedures are not adequately protecting such party's or parties' rights.

19. All discovery obtained by any plaintiff in the Securities Action, Consolidated Actions or Coordinated Actions may be shared with any other plaintiff in All Actions. All discovery obtained by any defendant in the Securities Action, Consolidated Actions, and Coordinated Actions may be shared with any other defendant in All Actions. All discovery obtained by any party in the Securities Action, Consolidated Actions, or Coordinated Actions shall be deemed discovered in All Actions.

20. No witness may be deposed more than once without leave of the Court.

VII. PRIVILEGE

21. Cooperation by and among counsel is essential for the orderly and expeditious resolution of this litigation. Accordingly, the communication of information among and between plaintiffs' counsel shall not be deemed a waiver of the attorney-client privilege or the attorney work product privilege. Likewise, the communication of information among and between defendants' counsel shall not be deemed a waiver of the attorney-client privilege or the attorney work product privilege.

VIII. RIGHT TO BE HEARD BY THE COURT

22. All counsel in All Actions shall use their best efforts to avoid duplication, inefficiency, and inconvenience to the Court, other parties, other counsel and witnesses. Nothing stated herein, however, shall be construed to diminish the right of any party to be heard by the Court on matters that are not susceptible to joint or common action, or as to which there is a genuine disagreement among counsel.

SO ORDERED:

Dated: New York, New York
_____, 2011

ROBERT W. SWEET
United States District Judge