



## MARGARET E. MAZZEO

### PARTNER

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#### FOCUS AREAS

Securities Fraud

Direct and Opt-Out

#### EDUCATION

Franklin & Marshall College

B.A. 2007, *magna cum laude*

Temple University Beasley School of Law

J.D. 2011, *cum laude*

#### ADMISSIONS

Pennsylvania

New Jersey

USDC, District of New Jersey

USDC, Eastern District of Pennsylvania

Margaret E. Mazzeo, a partner of the Firm, concentrates her practice in the area of securities fraud litigation. Since joining the firm, Margaret has represented shareholders in several securities fraud class actions and direct actions, through all aspects of pre-trial proceedings, including complaint drafting, litigating motions to dismiss and for summary judgment, conducting document, deposition and expert discovery, and appeal. Margaret was a member of the trial team that recently won a jury verdict in favor of investors in the *In re Longtop Financial Technologies Ltd. Securities Litigation*, No. 11-cv-3658 (S.D.N.Y.) action.

#### Experience

##### Ongoing Cases

- Goldman Sachs: Shareholders Bring Securities Fraud Class Action Against Investment Banking Giant for its Role in 1MDB Money Laundering Scandal  
Kessler Topaz represents Sjunde AP-Fonden ("AP7"), one of Sweden's largest pension funds, in a securities fraud class action against Goldman Sachs in the Southern District of New York. This case arises out of Goldman's role in the 1Malaysia Development Berhad ("1MDB") money laundering scandal, one of the largest financial frauds in recent memory. In 2012 and 2013, Goldman served as the underwriter for

1MDB, the Malaysia state investment fund masterminded by financier Jho Low, in connection with three state-guaranteed bond offerings. In concert with Goldman, Low and other conspirators including government officials from Malaysia, Saudi Arabia and the United Arab Emirates ran an expansive bribery ring, siphoning \$4.5 billion from the bond deals which Goldman peddled as investments for Malaysian state energy projects. In actuality, the deals were shell transactions used to facilitate the historic money laundering scheme. Nearly \$700 million of the diverted funds ended up in the private bank account of Najib Razak, Malaysia's now-disgraced prime minister who was convicted for abuse of power in 2020. Other funds were funnelled to Low and his associates and were used to buy luxury real estate in New York and Paris, super yachts, and even help finance the 2013 film "The Wolf of Wall Street." Goldman netted \$600 million in fees for the three bond offerings—over 100 times the customary fee for comparable deals. In October 2020, the U.S. Department of Justice announced that Goldman's Malaysia subsidiary had pled guilty to violating the Foreign Corrupt Practices Act ("FCPA") which criminalizes the payment of bribes to foreign officials, and that Goldman had agreed to pay \$2.9 billion pursuant to a deferred prosecution agreement. This amount includes the largest ever penalty under the FCPA.

AP7 filed a 200-page complaint on October 2019 alleging that Goldman and its former executives, including Chief Executive Officer Lloyd Blankfein and President Gary Cohn, violated Section 10(b) of the Securities Exchange Act by making false and misleading statements about Goldman's role in the 1MDB fraud. When media reports began to surface about the collapse of 1MDB, Goldman denied any involvement in the criminal scheme. Simultaneously, Goldman misrepresented its risk controls and continued to falsely tout the robustness of its compliance measures. Defendants' motion to dismiss is currently pending before U.S. District Judge Vernon S. Broderick.

- Allergan Generic Drug Pricing Securities Litigation: Investors Pursue Fraud Claims Based on Concealed Price-Fixing Conspiracy

Kessler Topaz serves as co-lead counsel in a securities fraud class action brought on behalf of Allergan plc shareholders, based on the company's participation in an industry-wide conspiracy to fix the prices of generic drugs. Shareholders allege that notwithstanding Allergan's prominent role in this illicit price-fixing scheme, the company repeatedly misrepresented to investors that it was not engaged in anticompetitive conduct—even as the company became ensnared in an investigation by the U.S.

Department of Justice and 46 state attorneys general.

On August 6, 2019, the Honorable Katherine S. Hayden of the U.S. District Court for the District of New Jersey issued a lengthy opinion denying defendants' motions to dismiss the complaint and sustaining investors' claims in full. The case is now in discovery.

- Celgene: New Jersey Federal Court Sustains Securities Fraud Claims Alleging Failure to Disclose Laggard Testing of Developmental Drug

In September 2018, Kessler Topaz was appointed to represent a putative class of investors in consolidated actions in the United States District Court for the District of New Jersey against pharmaceutical giant Celgene and several of its executive officers. This securities fraud case involves Celgene's concealment of a critical drug metabolite discovered during the clinical development of the multiple sclerosis drug Ozanimod and the company's ongoing misrepresentations to investors that Ozanimod was on track to be approved by the U.S. Food and Drug Administration (FDA) pursuant to the company's timeline. Unbeknownst to the public, the discovery of the metabolite required substantial, additional studies mandated by the FDA that imperiled the timeline for regulatory approval. After Celgene filed a facially deficient new drug application with the FDA, the agency issued a rare, "refuse-to-file" letter, causing investors to question the company's prior assurances and the company's stock price to plummet.

On December 19, 2019, U.S. District Judge John Michael Vasquez issued a 49-page opinion sustaining the shareholders' claims. The case is now in discovery.

### Settled

- Countrywide: Mortgage-backed securities settlement ends six-year battle

As co-lead counsel representing the Maine Public Employees' Retirement System, secured a \$500 million settlement for a class of plaintiffs that purchased mortgage-backed securities (MBS) issued by Countrywide Financial Corporation (Countrywide).

Plaintiffs alleged that Countrywide and various of its subsidiaries, officers and investment banks made false and misleading statements in more than 450 prospectus supplements relating to the issuance of subprime and Alt-A MBS—in particular, the quality of the underlying loans. When information about the loans became public, the plaintiffs' investments declined in value. The ensuing six-year litigation raised several issues of first impression in the Ninth Circuit.

- Lehman Brothers: Shareholders recover despite Lehman bankruptcy  
Represented the Alameda County Employees' Retirement

Association, former shareholders of Lehman Brothers Holdings, Inc., (Lehman) in a case alleging that Lehman made false and misleading statements prior to its unprecedented bankruptcy filing in 2008.

The statements, which concerned Lehman's net leverage, risk management and concentration of risks, were made 'in registration statements and prospectuses used to market numerous offerings leading up to the bankruptcy filing. Despite Lehman's bankruptcy, we were able to negotiate a \$616 million settlement funded by Lehman's underwriters, auditor and officers and directors.

- Petrobras: Kessler Topaz Secures Significant Recoveries for Investors in Securities Fraud Opt-Out Actions Against Brazilian Oil Giant Embroiled in Historic Corruption Scandal

Kessler Topaz represented several prominent U.S. and overseas mutual funds and pension funds as opt-out plaintiffs in securities fraud actions in Manhattan federal court against Petrobras, Brazil's state-owned oil conglomerate. These cases arose out of a decade-long bribery and kickback scheme that has been called the largest corruption scandal in Brazil's history and resulted in dozens of criminal convictions. The plaintiff funds alleged that Petrobras concealed bribes to senior officers and government officials and improperly capitalized these bribes as assets on the company's books in order to inflate the value of its oil refineries.

The Honorable Jed S. Rakoff of the U.S. District Court for the Southern District of New York appointed Kessler Topaz to serve as liaison counsel to the Court on behalf of the 27 opt-out plaintiffs in this sprawling litigation. In October 2015, Judge Rakoff denied Petrobras' motions to dismiss our clients' complaints. Following expedited discovery and with trial on the horizon, these actions were favorably resolved less than a year later as part of a confidential settlement.

### **Publications**

Matthew L. Mustokoff and Margaret E. Mazzeo, "Proving Securities Fraud Damages at Trial," 46 Rev. of Securities & Commodities Regulation, 145-54 (2013)

Matthew L. Mustokoff and Margaret Mazzeo, "The Maintenance Theory of Inflation in Fraud-on-the-Market Cases," 40 Securities Regulation Law Journal (2012)