



COHEN MILSTEIN

ACCESS TO JUSTICE

Newsroom

Detail

Investors and Royal Bank of Scotland Agree to \$275 Million Settlement

2/19/2014

Pension funds-led litigation results in third largest MBS class action payment

Plaintiffs in the mortgage-backed securities (MBS) class action litigation against Royal Bank of Scotland (RBS) and others, led by New Jersey Carpenters Health Fund and the Boilermaker Blacksmith Pension Trust, along with additional class representatives Iowa Public Employees' Retirement System and Midwest Operating Engineers Pension Trust Fund, have agreed to a \$275 million cash settlement. According to plaintiffs' Lead Counsel Joel P. Laitman of Cohen Milstein Sellers & Toll PLLC, it is the nation's third largest MBS-federal securities class action settlement.

If approved by the U.S. District Court in the Southern District of New York, the settlement will bring to a close the consolidated class action lawsuit brought in 2008 by the pension funds against RBS and other defendants for securities violations involving the packaging and sale of 14 public offerings of "Harborview" series MBS.

The plaintiffs charge that the public offering documents RBS used to sell the Harborview MBS certificates failed to disclose that the mortgage loans collateralizing the certificates were not originated in accordance with the applicable underwriting guidelines. By late 2008, virtually all of those certificates were downgraded to junk bond status.

"It's taken a great deal of work over many years by everyone involved, but this settlement, which provides significant compensation to investors, was worth it," said George R. Laufenberg, a representative of the New Jersey Carpenters Health Fund, which led the litigation since 2008.

"We are pleased with the result of this case," said Cohen Milstein Managing Partner Steven J. Toll, whose firm was named Lead Counsel in the consolidated class action by United States District Judge Harold Baer. "This settlement will give closure and monetary relief to investors who suffered losses in connection with these Harborview MBS."

In addition to Laitman and Toll, counsel for plaintiffs in *New Jersey Carpenters Health Fund, et al., v. The Royal Bank of Scotland Group, PLC* include Christopher Lometti and Michael Eisenkraft of Cohen Milstein Sellers & Toll PLLC. For more information, visit <http://www.cohenmilstein.com/cases/232/harborview-mbs-litigation>.

Founded in 1969, Cohen Milstein Sellers & Toll PLLC is a national leader in plaintiff class action lawsuits and litigation. As one of the premier firms in the country handling major complex cases, Cohen Milstein, with 80 attorneys, has offices in Washington, D.C., New York, Philadelphia, Chicago and Palm Beach, Fla.

Related Professionals

Steven J. Toll

Joel P. Laitman

Christopher Lometti

Michael Eisenkraft

The materials appearing on this Web site are provided for informational purposes only and do not constitute legal advice. You should not take action based upon this information without consulting legal counsel. This site is not intended to create an attorney-client relationship. The hiring of a lawyer is an important decision that should not be based solely upon any single source of information, including advertising on this Web site. You may ask us to send you additional information about us, and we urge you to review other sources of information about the firm.