

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE ESTÉE LAUDER CO., INC.
SECURITIES LITIGATION

Civil Action No. 1:23-cv-10669-AS

Hon. Arun Subramanian

REPLY DECLARATION OF MICHAEL P. CANTY

I, MICHAEL P. CANTY, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746:

1. I am a member of the law firm of Labaton Keller Sucharow LLP (“Labaton”), Court-appointed Lead Counsel in this proposed class action, and am admitted to practice before this Court. I respectfully submit this declaration to provide the Court with factual information in further support of Lead Counsel’s Motion for an Award of Attorneys’ Fees and Payment of Expenses (ECF No. 123) and in opposition to Avrohom Senderovic’s objections to Lead Counsel’s Fee and Expense Application and his request for a “*pro se* service award” (ECF Nos. 118-120, 126).

2. As an initial matter, Mr. Senderovic did not provide me or my office with copies of any of his filings in the Action, as required by the Court’s Preliminary Approval Order. *See* ECF No. 115, ¶17. I am also advised by Defendants’ Counsel that they did not receive copies of his filings.

3. Senderovic’s first two filings, ECF Nos. 118-19, were submitted before Lead Counsel’s Fee and Expense Application was required to be filed with the Court on July 16, 2026. Since their filing, Lead Counsel’s detailed submissions have been available on Lead Counsel’s website, the Settlement Website, and the Court’s PACER system.

4. Lead Counsel’s Fee and Expense Application was approved by three sophisticated institutional investors, Lead Plaintiffs Macomb County Employees’ Retirement System, Macomb County Retiree Health Care Fund, and Wayne County Employees’ Retirement System, which recognized the extensive work performed by Lead Counsel, the risks and challenges in this case, and the significant recovery achieved for the Settlement Class. *See also* ECF Nos. 125-1; 125-2. Lead Plaintiffs were appointed by the Court and have taken their fiduciary responsibilities to the

class seriously. The request for attorneys' fees was not rubber-stamped as presumed by Senderovic.

A. Lead Counsel's Lodestar

5. Senderovic's statements that "Lead Counsel's baseline lodestar calculation relies on a cost structure that is detached from standard commercial realities" and that class counsel "unilaterally selects their highest possible rates and applies them retroactively without facing true competitive market pressure" (Objection, at 1) could not be further from the truth.

6. As I previously attested to, the number of hours spent on the litigation by Labaton is 47,772.3. *See* Declaration of Michael P. Canty, dated July 16, 2026 ("Canty Decl."), ECF No. 125, Exhibit 9, ¶4.¹ The lodestar amount based on the firm's "current hourly rates" is \$25,145,630.00. *Id.*, Exhibit 9-A. "The hourly rates shown in Exhibit A are *the same as* the hourly rates submitted by the firm in other contingent securities class actions. *The firm's rates are set based on periodic analysis of rates used by firms performing comparable work both on the plaintiff and defense side.*" *Id.* (emphasis added). More specifically, Labaton has a committee that reviews and sets its hourly rates at the beginning of each year, and periodically during the course of the year. The committee reviews information gathered about comparable rates within the commercial bar.

7. As explained in the Canty Declaration, Exhibit 11 is a table of hourly rates for defense firms compiled by Labaton from fee applications submitted by such firms nationwide in bankruptcy proceedings in 2025. ECF No. 125-11. The analysis shows that, contrary to Senderovic's views, Lead Counsel's hourly rates here are consistent with, or lower than, the firms surveyed. The hourly rates of Lead Counsel range from \$975 to \$1,450 per hour for partners, \$800

¹ Unless noted, all exhibits are those filed with the previously submitted Canty Declaration.

to \$1,025 per hour for of counsels, and \$350 to \$700 for associates and other attorneys (including staff attorneys). *See* Canty Decl., ¶149. The hourly rates of defense firms in Labaton’s analysis range from \$1,070 to \$2,675 per hour for partners, \$923 to \$2,645 per hour for of counsels, and \$517 to \$2,445 for associates. Exhibit 11. Defense firm staff attorney rates range from \$350 to \$850. *Id.*

8. Labaton’s rates are routinely approved by courts across the county.

9. Oddly, Senderovic states, “the firm’s reliance on block billing makes it impossible to distinguish high-level strategy from routine tasks. Billing a premium partner rate for baseline document review or procedural filings constitutes a clear misallocation of capital; these are clerical and administrative tasks that should be performed by lower-cost associates or excluded entirely” without any basis. Objection, at 2. In fact, only myself and my partner James Christie were the main day-to-day partners in this matter. Exhibit 9-A. Other partners with different roles, such as case initiation, settlement, and client services, were involved to a lesser degree. Partners dedicated 1,849.3 hours to the case, with a lodestar value of \$2,014,065, which generates an average parter rate of \$1,089/hour. (There was one main associate on the case. Overall, associates and of counsel dedicated 4,875.1 hours to the case, with a lodestar value of \$3,122,425, which generates an average rate of \$640.50/hour.)

10. As explained in the opening papers and the Reply Declaration, Lead Counsel appropriately utilized staff attorneys to review and analyze the 560,000 pages of documents from Defendants and third parties. Canty Decl., ¶¶50-68, 146. These attorneys were integral to the litigation team and focused on reviewing the document productions for the purpose of fact depositions, expert reports, trial preparation, and settlement discussions. They did not conduct “mechanical data sifting” as posited by Senderovic. Objection, at 2-3. The firm does not

“outsource” document review work. These attorneys are each skilled, non-partner track, employees of the firm.

11. Throughout discovery, the litigation team worked diligently and in tandem with the staff attorneys to review, escalate, and analyze key documents produced by Defendants and third parties. Ultimately, the documents produced by Defendants spanned over 514,000 pages and the documents produced by third parties spanned over 46,000 pages. At the outset of the staff attorneys’ review of these documents, the litigation team met with the staff attorneys to guide their review based on their in-depth knowledge of the facts at issue and the overarching case strategy. As the staff attorney review continued, the litigation team participated in weekly collaborative review sessions, to discuss specific documents and concepts.

12. This process involved an ongoing, tiered review to ensure that the attorneys involved comprehensively evaluated each of the documents and understood how each document fit into Estée Lauder’s Global Travel Retail business segment. Estée Lauder’s Travel Retail business segment is a highly complex and siloed business operation. The Travel Retail business sells more than twenty distinct brands of prestige beauty products in a variety of different categories and in numerous different regions, countries within those regions, and specific locations within those countries. Defendants produced a wide variety of relevant financial reports and emails that included significant variations in scope and coverage, often only reporting financial information related to one brand, region, country, location, or specific product. Defendant also produced a variety of unique reports and documents that included relevant information related to different groups of brands, regions, countries locations or products. Often, depending on what brand, product or location the document was discussing, different reports used different but related metrics to report sales and other related financial metrics.

13. Aggregating and analyzing these documents in order to see how they fit together and what they revealed about *daigou*'s impact on the Company was very difficult, labor intensive, and required a steep learning curve. This is all before mentioning that the Company referred to *daigou* and its impacts in multiple different ways that, in many instances, did not refer to *daigou* by name, which further required the litigation team and staff attorneys to collaborate together to understand and identify these internal references. As a result, the litigation team and staff attorneys engaged in a multi-level review to maximize their knowledge of relevant documents and how they pertained to Lead Plaintiffs' claims and Defendants' potential defenses.

14. This joint, ongoing effort maximized the litigation team's ability to present documents effectively and efficiently, as well as to engage in meaningful negotiations with defense counsel. Had the e-discovery tools not been used, substantially more time would have been spent by the reviewers.

B. Acute Risks of Contingent Securities Class Actions

15. Lead Plaintiffs and Lead Counsel understood that although they believe Lead Plaintiffs' claims were strong and could prevail at class certification, and that they would have adduced substantial evidence to support the class's claims at summary judgment and trial, there were a number of factors that made the outcome of continued litigation here uncertain, weighing in favor of a settlement at this juncture.

16. Principally, although the Court denied Defendants' motion to dismiss, there was a real possibility that the Court would credit Defendants' price impact arguments against loss causation at class certification or find at summary judgment that the alleged corrective disclosures did not cause the losses for which Lead Plaintiffs seek to recover. If that were the case, then Lead Plaintiffs and the Settlement Class would have been exposed to significant risks of reduced recovery or no recovery at all. Lead Plaintiffs also faced significant challenges in establishing the

required elements of falsity, materiality, and scienter to sustain the claims through class certification, summary judgment, and trial. Securities cases are notoriously difficult and riddled with acute risks like this that are case ending, resulting in no compensation for the class or class counsel.

C. Senderovic Expense Challenges Should Be Rejected

17. Courts across the country routinely approve payment of Lead Counsel's costs of computer research and duplicating. The firm does have subscriptions for Lexis and Westlaw that are billed monthly, which is the only option available to the firm by these providers likely because a transaction approach would be cost prohibitive.² The firm's contracts are reviewed and negotiated when they are renewed. Usage is tracked using this case's client-matter number and the monthly costs are apportioned accordingly and specific to this case. PACER costs are by usage and tracked using this case's client-matter number.

18. The firm's duplicating rates, \$0.20 per black and white page and \$0.40 per color page, are standard and have not been increased in approximately thirty years, despite steady increases in the costs of paper, printers, and toner.

19. With respect to Lead Counsel's e-discovery expense, given the Settlement, the database was placed into "cold storage," yet this storage is not free and will need to be maintained until the Settlement becomes effective and the database can be shut down. Exhibit 9-B. This expense includes three months of storage at \$9,000 a month. If less than the estimated costs are incurred, Lead Counsel will not be paid the overage.

² Westlaw allows the firm to generate reports that show "standard charges" vs. "special pricing charges," which shows what the firm pays as a result of having a monthly subscription. For July, for example, the firm's "standard charges" based on usage would have totaled \$1,773,450.00 before taxes. Instead, the firm paid \$46,168, which was then apportioned based on usage.

20. With respect to Lead Counsel's expert expenses, of the \$347,700 in costs, \$265,700 were incurred in connection with Lead Plaintiffs' primary expert Matthew Cain, PhD., \$76,000 was incurred in connection with a consulting economic expert who assisted with assessing damages in connection with mediation efforts, and \$6,000 was incurred in connection with a consulting economic expert who assessed damages and loss causation issues early in the case. We generally do not publicly disclose the names of consulting experts to preserve confidentiality in the event the Parties need to return to a litigation posture, but can share the details with the Court in camera at the Settlement Hearing. Securities cases are expert heavy and the fact that 46% of total expenses were incurred in connection with experts is typical.

21. True and correct copies of the following documents are annexed hereto:

Exhibit A: *2025 Year in Review – Securities Class Action Filings* (Cornerstone Research 2026).

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 13, 2026.

/s/ Michael P. Canty
MICHAEL P. CANTY

Exhibit A

2025 YEAR IN REVIEW

Securities Class Action Filings

REVIEW & ANALYSIS

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

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Executive Summary

Filing activity in 2025 decreased relative to 2024, from 226 to 207 filings, largely driven by a decline in filing activity in 2025 H2. However, Disclosure Dollar Loss (DDL) was the highest on record, sharply increasing to \$694 billion in 2025 from \$429 billion in 2024; and Maximum Dollar Loss (MDL) increased to \$2,862 billion in 2025 from \$1,639 billion in 2024. The number of combined federal and state 1933 Act filings increased slightly to 23 filings in 2025. The number of Artificial Intelligence (AI)-related filings slightly increased, while the number of COVID-19-related filings fell to its lowest level since tracking of the trend category began in 2020.

Plaintiffs filed 207 **new securities class actions** in 2025, a decline from the 226 filings in 2024. The number of filings in 2025 H2 (93) was significantly lower than in 2025 H1 (114). [\(page 4\)](#)

Disclosure Dollar Loss (DDL) increased to its highest level on record, from \$429 billion in 2024 to \$694 billion in 2025. **Maximum Dollar Loss (MDL)** increased to \$2,862 billion in 2025 from \$1,639 billion in 2024, reaching its third-highest level on record. [\(pages 8, 10\)](#)

While filing counts in 2025 decreased relative to 2024, total MDL and DDL increased substantially.

In 2025, **mega filings** accounted for the vast majority of total MDL and total DDL (89% and 81%, respectively), significantly above the 1997–2024 annual averages (80% and 65%, respectively). [\(page 11\)](#)

Figure 1: Federal and State Class Action Filings Summary
(Dollars in 2025 billions)

	Annual (1997–2024)			2024	2025
	Average	Maximum	Minimum		
Class Action Filings	227	427	120	226	207
Core Filings	194	267	120	221	201
Disclosure Dollar Loss (DDL)	\$250	\$652	\$76	\$429	\$694
Maximum Dollar Loss (MDL)	\$1,244	\$3,674	\$294	\$1,639	\$2,862

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts and index totals may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

Key Trends in Federal Filings

There were 16 filings in the AI trend category in 2025, with 12 filings occurring in 2025 H1 but only four filings occurring in 2025 H2. Cryptocurrency-related filings slightly increased, while COVID-19-related filings fell to its lowest level since the trend emerged. The number of mega DDL and mega MDL filings in 2025 were nearly the same as 2024, but the total DDL and total MDL associated with mega DDL and mega MDL filings, respectively, increased substantially.

TREND FILINGS

There were 16 **AI-related filings** in 2025, slightly higher than the number of such filings in 2024. Only four of the 16 AI-related filings in 2025 were filed in 2025 H2. (page 5)

The trend categories with the most filings in 2025 were **AI** (16), **SPAC** (10), and **Cryptocurrency** (9). (page 5)

The number of **COVID-19-related filings** decreased from 15 in 2024 to three in 2025, the lowest number of such filings since tracking of the trend category began in 2020. For each cohort of filings since 2021, COVID-19-related filings have been dismissed at a higher rate. (pages 5, 7)

MEGA FILINGS

Mega filings accounted for the vast majority of total MDL and total DDL (89% and 81%, respectively), significantly above the 1997–2024 annual averages. (page 11)

In 2025, the number of **mega MDL filings** (36) was only slightly higher than in 2024 (34), but total MDL from mega MDL filings in 2025 (\$2,551 billion) increased by 97% relative to 2024 (\$1,292 billion). (page 11)

1933 ACT FILINGS

The number of **federal and state 1933 Act filings** in 2025 (23) was slightly higher than in 2024 (22). (page 4)

State 1933 Act filing counts have remained low since 2020, with only four state 1933 Act filings in 2025. (page 17)

U.S. EXCHANGE-LISTED COMPANIES

The likelihood of a core filing against a **U.S. exchange-listed company** decreased from 3.9% in 2024 to 3.5% in 2025. (page 13)

NON-U.S. ISSUERS

Core federal filings against **non-U.S. issuers** as a percentage of total core federal filings in 2025 was 11%, reaching a 15-year low. (page 20)

The number of federal filings against **non-U.S. issuers** decreased by 35%, from 34 filings in 2024 to 22 in 2025, well below the 2015–2024 annual average of 44 filings. (page 20)

BY INDUSTRY

The number of filings in the **Consumer Cyclical sector** decreased by 49% in 2025 relative to 2024. (page 21)

The number of filings in the **Technology sector** decreased from 37 in 2024 to 30 in 2025, but total MDL for filings in the Technology sector increased by 260%, from \$347 billion in 2024 to \$1,250 billion in 2025. (pages 21, 33)

BY CIRCUIT

The number of core filings in the **Ninth Circuit** decreased by 30% from 2024 to 2025. (pages 22, 33)

The number of core filings in the **Third Circuit** in 2025 (26) was higher than in 2024 (19), largely driven by a surge in filings in the Biotechnology (four filings) and Pharmaceuticals (seven filings) subsectors. (pages 22, 33)

Featured: Annual Rank of Filing Intensity

In 2025, total core filing activity decreased to its lowest level since 2014, but total DDL reached a record high and total MDL was the third highest on record, largely driven by a high share of mega filings. See Figure 10 for more details on mega filings.

The DDL Index rose to \$694 billion in 2025, increasing by 61% from \$429 billion in 2024.

The number of 1933 Act filings in state and federal courts increased slightly from 22 filings in 2024 to 23 in 2025.

The number of M&A filings in 2025 (six) was slightly higher than in 2024 (five).

The number of core filings in 2025 decreased relative to the previous four years, but total DDL was the highest on record.

The rate of filings against U.S. exchange-listed companies decreased from 4.0% in 2024 to 3.6% in 2025.

The percentage of S&P 500 companies subject to a core filing decreased from 6.1% in 2024 to 5.8% in 2025.

Figure 2: Annual Rank of Measurements of Federal and State Filing Intensity

	2023	2024	2025
Number of Total Filings	14 th	8 th	17 th
Core Filings	12 th	8 th	15 th
M&A Filings	15 th	17 th	16 th
Size of Core Filings			
Disclosure Dollar Loss	6 th	4 th	1 st
Maximum Dollar Loss	2 nd	8 th	3 rd
Percentage of U.S. Exchange-Listed Companies Sued			
Total Filings	14 th	8 th	10 th
Core Filings	13 th	6 th	10 th
Percentage of S&P 500 Companies Subject to Core Federal Filings	6 th	10 th	11 th

Note: This figure presents combined federal and state data in the rankings in all categories beginning in 2010, except the Percentage of S&P 500 Companies Subject to Core Federal Filings, which excludes state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, the filing counts determining the rankings in this figure may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. Rankings cover 1997 through 2025 with the exceptions of M&A filings, which have been tracked as a separate category since 2009, and analysis of the litigation likelihood of S&P 500 companies, which began in 2001. M&A filings are securities class actions filed in federal courts that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(a) claims, and involve merger and acquisition transactions. Core filings are all state 1933 Act class actions and all federal securities class actions excluding those defined as M&A filings.

Combined Federal and State Filing Activity

The number of federal Section 10(b)-only filings decreased by 11%, from 198 filings in 2024 to 176 filings in 2025.

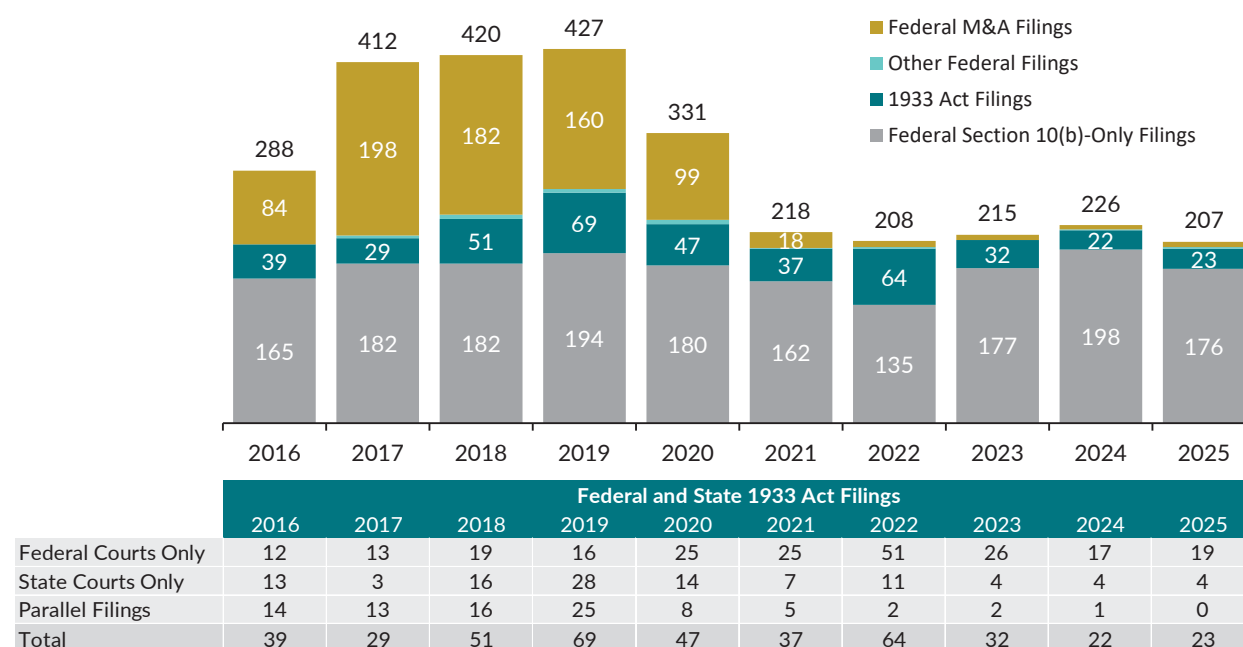
The number of federal and state 1933 Act filings in 2025 (23) was slightly higher than in 2024 (22).

Federal M&A filing activity increased slightly from five filings in 2024 to six filings in 2025.

In 2025, the number of total filings was significantly lower in the second half relative to the first half, with 114 filings in 2025 H1 and 93 in 2025 H2, largely driven by a 70% decrease in the number of filings in the Third Circuit from 2025 H1 to 2025 H2. In contrast, in 2024, there were 112 total filings in 2024 H1 and 114 total filings in 2024 H2.

In 2025, the number of total filings decreased by 8% from 2024, largely driven by a decline in filing activity in 2025 H2.

Figure 3: Federal Filings and State 1933 Act Filings by Venue 2016–2025



Source: Cornerstone Research, Stanford Law School Securities Class Action Clearinghouse, and Stanford Securities Litigation Analytics; Bloomberg Law; Institutional Shareholder Services' Securities Class Action Services (ISS' SCAS)

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. See Additional Notes to Figures and Appendices for more detailed information and Counts and Totals Methodology.

Summary of Trend Filings

The figure below highlights recent trend categories that have appeared in core filing activity. See Glossary for definitions of each trend category.

The trend categories with the most filings in 2025 were AI (16), SPAC (10), and Cryptocurrency (9).

There were 16 AI-related filings in 2025, slightly higher than the number in 2024 (15). However, only four of the 16 AI-related first identified complaints in 2025 were filed in 2025 H2. Five of these 16 complaints were filed by Pomerantz LLP, four were filed by Levi & Korsinsky LLP, and two were filed by Edelsberg Law.

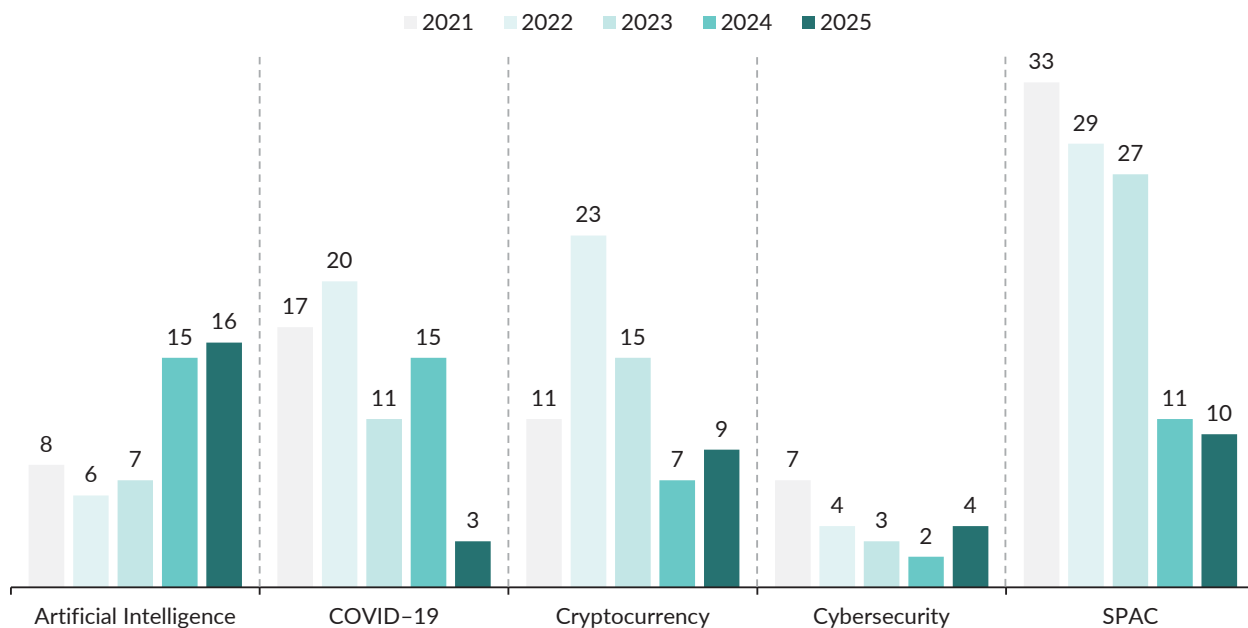
The number of COVID-19-related filings decreased from 15 in 2024 to three in 2025, the lowest number of such filings since tracking of the trend category began in 2020.

In 2025, AI-related filings and cryptocurrency-related filings slightly increased, while COVID-19-related filings were the lowest on record.

The number of cryptocurrency-related filings in 2025 increased slightly, from seven in 2024 to nine in 2025. Three of the nine first identified complaints were filed by Burwick Law, three were filed by Pomerantz LLP, one was filed by Levi & Korsinsky LLP, one was filed by Glancy Prongay & Murray LLP, and one was filed pro se.

The number of SPAC filings in 2025 (10) was slightly lower compared to 2024 (11), which in turn was substantially lower than the number of SPAC filings in 2021 (33), 2022 (29), and 2023 (27).

Figure 4: Summary of Trend Filings—Core Federal Filings 2021–2025



Note: All trend categories only count core federal filings. As such, M&A SPAC filings are excluded from this figure. There were one, one, one, zero, and zero of such filings in 2021, 2022, 2023, 2024, and 2025, respectively. Some filings may be included in more than one trend category. See Additional Notes to Figures and Appendices for trend category definitions, more detailed trend information, and Counts and Totals Methodology.

Status of Core Federal Filings by Trend Category

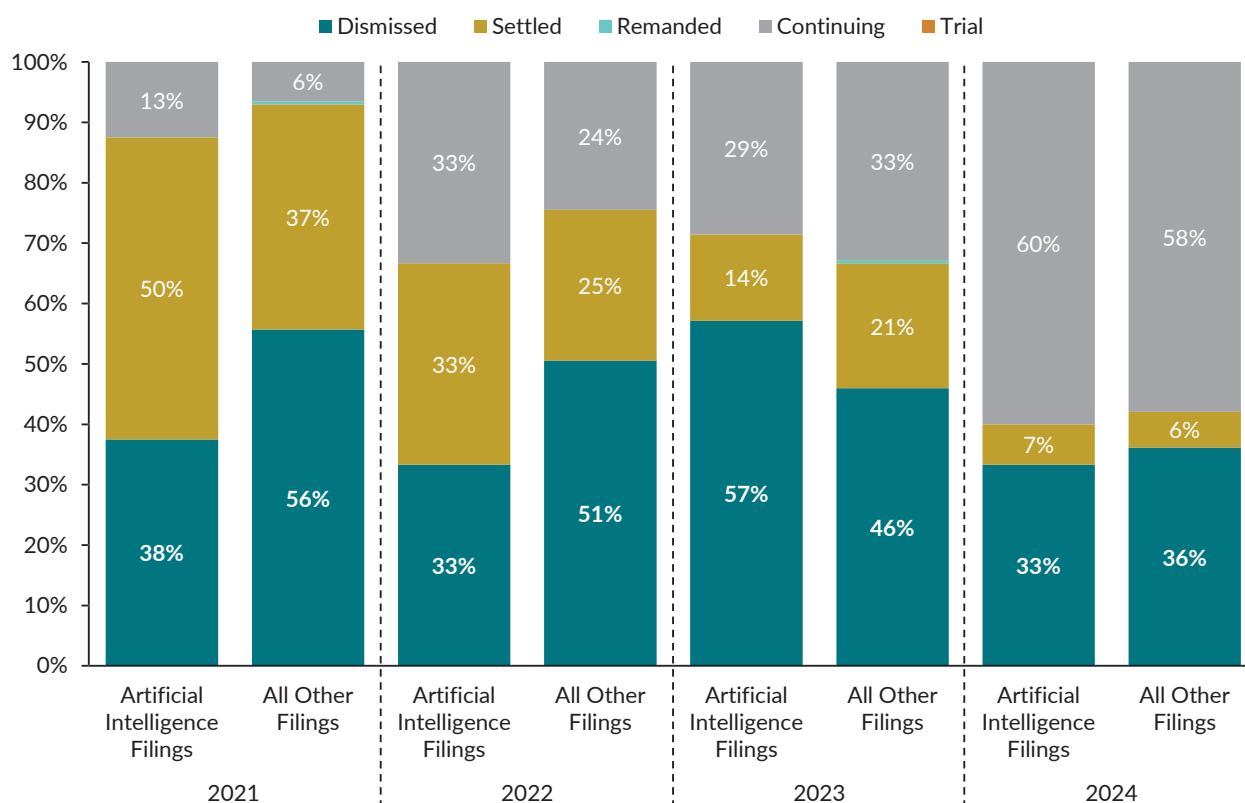
This analysis compares filing groups to determine whether filing outcomes of core federal AI- and COVID-19-related trend category filings differ from outcomes of other types of core federal filings.

The figure below compares the outcomes as of 2025 of AI-related filings that were filed in 2021–2024 to the outcomes of all other core federal filings in the same period. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or by trial.

For the 2021 and 2022 cohorts, AI-related filings have been dismissed at a lower rate than all other core federal filings.

AI-related filings in cohorts for 2021 and 2022 were settled at higher rates and dismissed at lower rates than all other core federal filings.

Figure 5: Status of Core Federal Artificial Intelligence–Related Filings



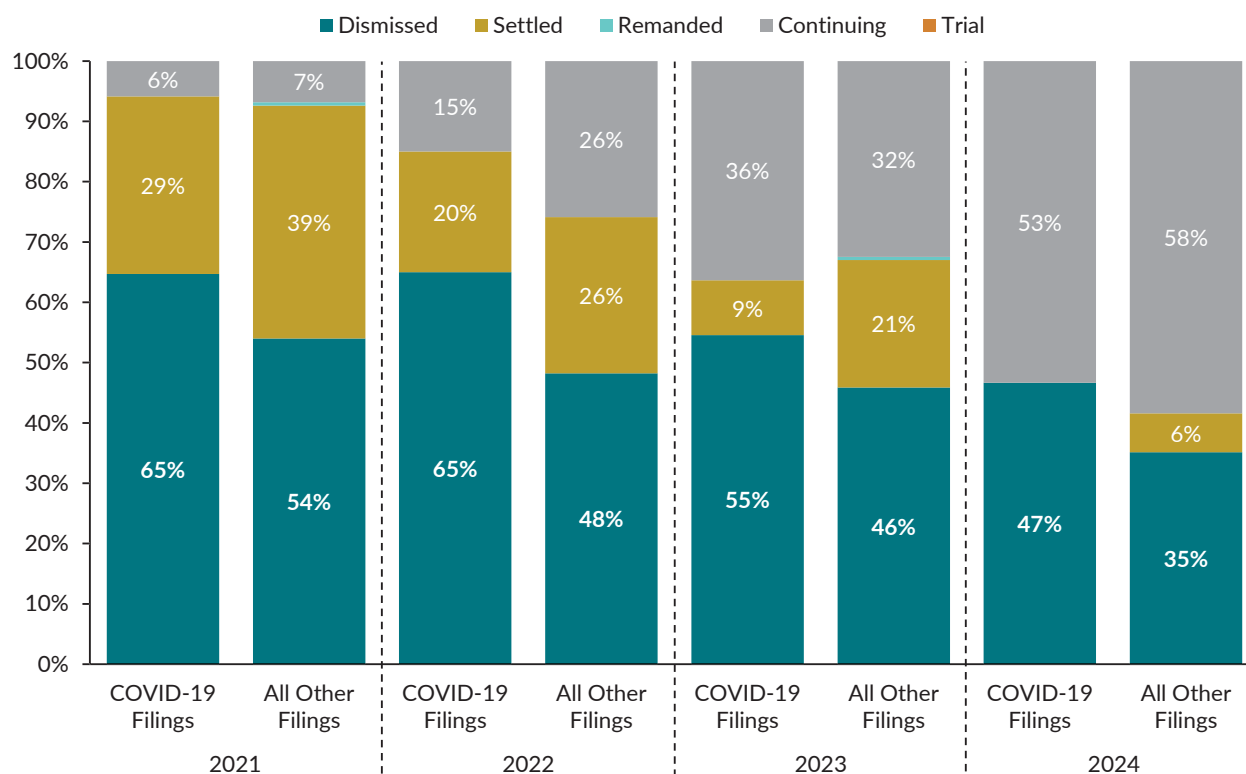
Note: Percentages may not sum to 100% due to rounding. Because a high percentage of lawsuits in 2025 are ongoing, this figure excludes the 2025 cohort.

This figure compares the outcomes of core federal COVID-19-related filings to the outcomes of all other core federal filings from 2021 to 2024.

For each cohort of filings since 2021, COVID-19-related filings have been settled at a lower rate than all other core federal filings.

For each cohort of filings since 2021, COVID-19-related filings have been dismissed at a higher rate than all other core federal filings.

Figure 6: Status of Core Federal COVID-19-Related Filings



Note: Percentages may not sum to 100% due to rounding. Because a high percentage of lawsuits in 2025 are ongoing, this figure excludes the 2025 cohort.

Market Capitalization Losses for Federal and State Filings

Disclosure Dollar Loss Index® (DDL Index®)

This index measures the aggregate annual DDL for all federal and state filings. DDL is the dollar-value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. Reported numbers are inflation-adjusted to 2025 dollars. See Glossary for additional discussion.

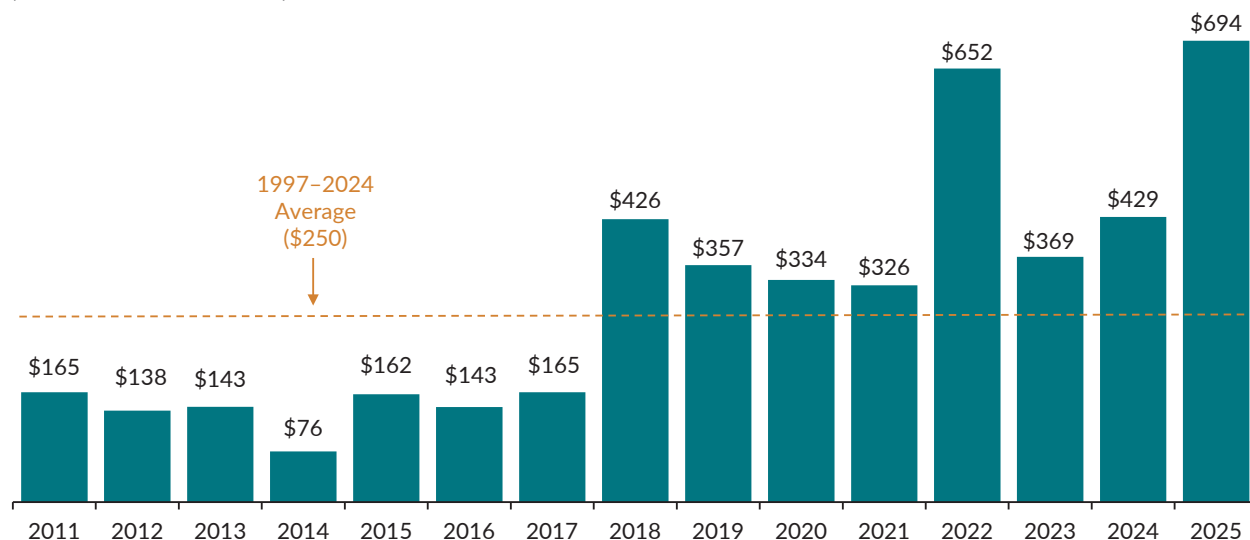
In 2025, the DDL Index reached the highest level on record (\$694 billion), with \$403 billion measured in 2025 H1.

Filings in the Consumer Non-Cyclical sector comprised the largest share of the DDL Index in 2025 (41%), largely driven by filings in the Healthcare-Services subsector, which made up 25% of total DDL.

The DDL Index increased by 62% in 2025 relative to 2024, reaching the highest level on record.

A number of filings with allegations of small percentage price drops have been observed in recent years. These filings have tended to be against companies with larger market capitalization. For example, for Section 10(b) filings alleging a single corrective disclosure from 2021 to 2025 in which the ratio of DDL to predisclosure market capitalization was less than 3% (27 filings), the median predisclosure market capitalization was \$6.0 billion, compared to \$2.0 billion for all Section 10(b) filings during the same period.

Figure 7: Disclosure Dollar Loss Index® (DDL Index®)
2011–2025
(Dollars in 2025 billions)

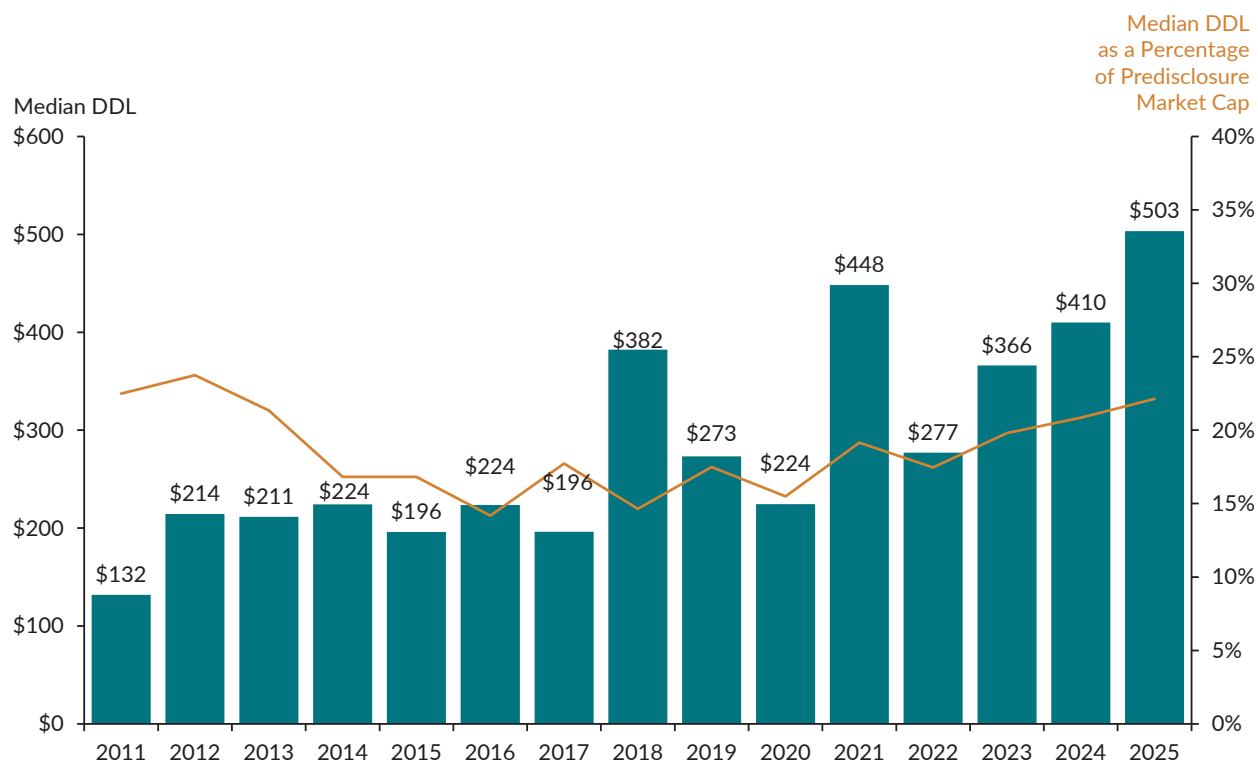


Note: This figure begins including DDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL Index values will not match the values in Appendix 6, which summarizes federal filings. DDL associated with parallel class actions is only counted once. There are core filings for which data are not available to estimate DDL accurately; these filings are excluded from DDL analysis. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

As shown by the gold line in the figure below, from 2014 to 2023, the typical (i.e., median) percentage stock price drop at the end of the class period oscillated between approximately 15% and 20% of the predisclosure market capitalization. That measure has now surpassed 20% in both 2024 and 2025, with the 2025 measure (22%) being the highest since 2012.

The median DDL has increased each year since 2022 and reached \$503 million, the highest median DDL on record.

Figure 8: Median Disclosure Dollar Loss
2011–2025
(Dollars in 2025 millions)



Note: This figure begins including DDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL Index will not match those in Appendix 6, which summarizes federal filings. DDL associated with parallel class actions is only counted once in this figure. There are core filings for which data are not available to estimate DDL accurately; these filings are excluded from the DDL analysis. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. See Additional Notes to Figures for Counts and Totals Methodology.

Maximum Dollar Loss Index® (MDL Index®)

This index measures the aggregate annual MDL for all federal and state filings. MDL is the dollar-value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. Reported numbers are inflation-adjusted to 2025 dollars. See Glossary for additional discussion.

The MDL Index increased to \$2,862 billion in 2025, a 75% increase relative to 2024. This was the fourth consecutive year with MDL above the historical average of \$1,238 billion, and the eighth consecutive year with MDL above \$1 trillion.

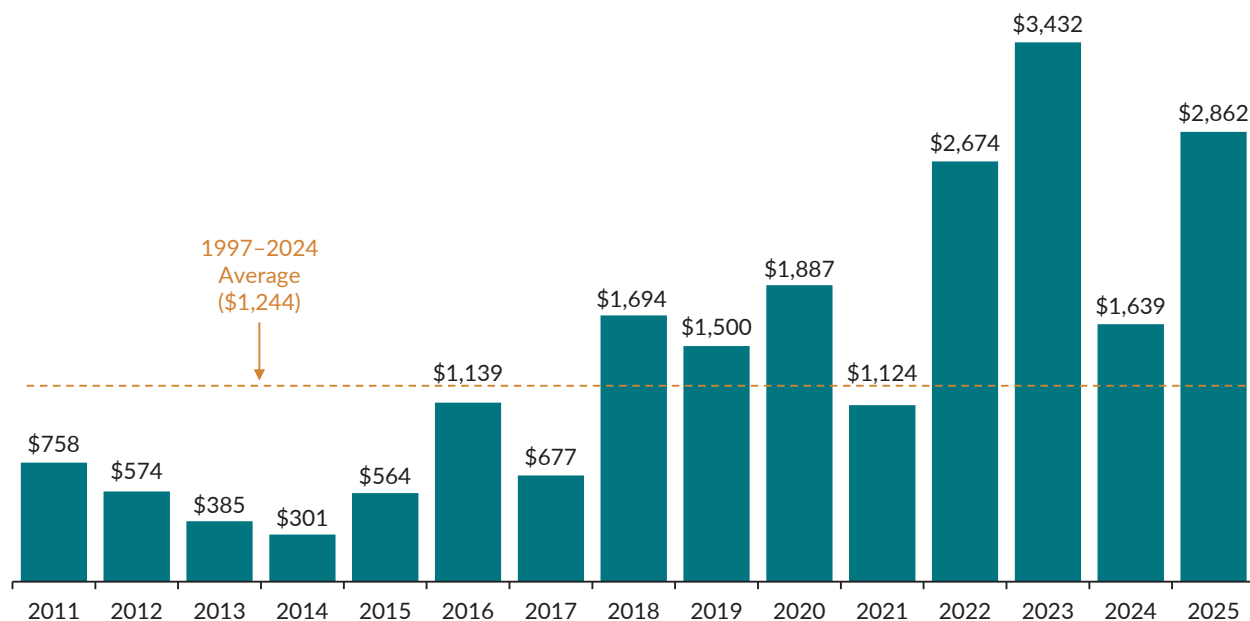
The MDL Index increased by 75% from 2024 and has remained above the 1997–2024 semiannual average since 2022.

In 2025, filings in the Technology sector accounted for only 15% of total core filings but 44% of the total MDL Index.

AI-related filings accounted for only 8% of total core filings but 57% of the total MDL Index in 2025.

See Appendix 1 for MDL Index totals and averages from 1997 to 2025. See Appendix 5 for MDL Index totals by industry.

Figure 9: Maximum Dollar Loss Index® (MDL Index®)
2011–2025
(Dollars in 2025 billions)



Note: This figure begins including MDL associated with state 1933 Act filings in 2010. As a result, this figure's MDL Index values will not match the values in Appendix 6, which summarizes federal filings. MDL associated with parallel class actions is only counted once. There are core filings for which data are not available to estimate MDL accurately; these filings are excluded from MDL analysis. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

Mega Filings

Mega DDL filings have a DDL of at least \$5 billion. Mega MDL filings have an MDL of at least \$10 billion. MDL and DDL are inflation-adjusted to 2025 dollars.

In 2025, the number of mega DDL filings (25) was nearly equal to that of 2024 (26), but total DDL for mega DDL filings (\$564 billion) increased 79% relative to 2024 (\$315 billion).

Similarly, the number of mega MDL filings (36) in 2025 was only slightly higher than in 2024 (34), but total MDL from mega MDL filings in 2025 (\$2,551 billion) increased by 97% relative to 2024 (\$1,292 billion).

Mega filings accounted for the vast majority of total MDL and total DDL (89% and 81%, respectively), significantly above the 1997–2024 averages.

In 2025, 27% of core filings in the Technology sector were mega MDL filings and mega DDL filings (8 of 30) and 27% were mega DDL filings (8 of 30).

Figure 10: Mega Filings

	Average 1997–2024	2023	2024	2025
Mega Disclosure Dollar Loss (DDL) Filings				
Mega DDL Filings	10	17	26	25
Mega DDL (\$ Billions)	\$164	\$238	\$315	\$564
Percentage of Total DDL	65%	64%	73%	81%
Mega Maximum Dollar Loss (MDL) Filings				
Mega MDL Filings	23	47	34	36
Mega MDL (\$ Billions)	\$996	\$3,122	\$1,292	\$2,551
Percentage of Total MDL	80%	91%	79%	89%

Note: This figure begins including DDL and MDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL and MDL Index values will not match those in Appendix 6, which summarizes federal filings. DDL and MDL associated with parallel class actions are only counted once—at the time of the earliest filing. There are core filings for which data are not available to estimate MDL and DDL accurately; these filings are excluded from MDL and DDL analysis and counts. Mega DDL filings have a disclosure dollar loss of at least \$5 billion. Mega MDL filings have a maximum dollar loss of at least \$10 billion. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

Classification of Federal Complaints

The share of core federal filings with Rule 10b-5 claims decreased from 95% in 2024 to 91% in 2025.

In 2025, the share of core federal filings with 1933 Act claims slightly increased to 10% from 9% in 2024.

The share of core federal filings with allegations of internal control weaknesses and announced internal control weaknesses decreased from 12% and 7% in 2024 to 7% and 3% in 2025, respectively.

The share of core federal filings with Rule 10b-5 claims decreased, but the share of core federal filings with 1933 Act claims slightly increased.

In 2025, the share of core federal filings with allegations of accounting violations sharply decreased to 16% from 24% in 2024.

The share of core federal filings with allegations of false forward-looking statements slightly increased from 53% in 2024 to 56% in 2025.

Figure 11: Allegations Box Score—Core Federal Filings

	Percentage of Filings				
	2021	2022	2023	2024	2025
Rule 10b-5 Claims	91%	83%	94%	95%	91%
1933 Act Claims	15%	28%	14%	9%	10%
Misrepresentations in Financial Documents	90%	89%	90%	94%	94%
False Forward-Looking Statements	43%	39%	46%	53%	56%
Trading by Company Insiders	6%	2%	2%	2%	6%
Accounting Violations	22%	24%	23%	24%	16%
Announced Restatements	3%	9%	10%	6%	4%
Internal Control Weaknesses	9%	13%	17%	12%	7%
Announced Internal Control Weaknesses	4%	8%	11%	7%	3%
Underwriter Defendant	10%	13%	4%	2%	6%
Auditor Defendant	0%	1%	2%	0%	2%

Note:

1. Core federal filings are all federal securities class actions excluding those defined as M&A filings. Allegations reflect those made in the first identified complaint (FIC). The percentages do not add to 100% because complaints may include multiple allegations. See Additional Notes to Figures for more detailed information.
2. In 2024, there was one filing with allegations against an auditor defendant.

U.S. Exchange–Listed Companies

The percentage of companies subject to core and M&A filings is calculated as the unique number of companies listed on the NYSE or Nasdaq subject to federal or state securities fraud class actions in a given year divided by the unique number of companies listed on the NYSE or Nasdaq in the same year.

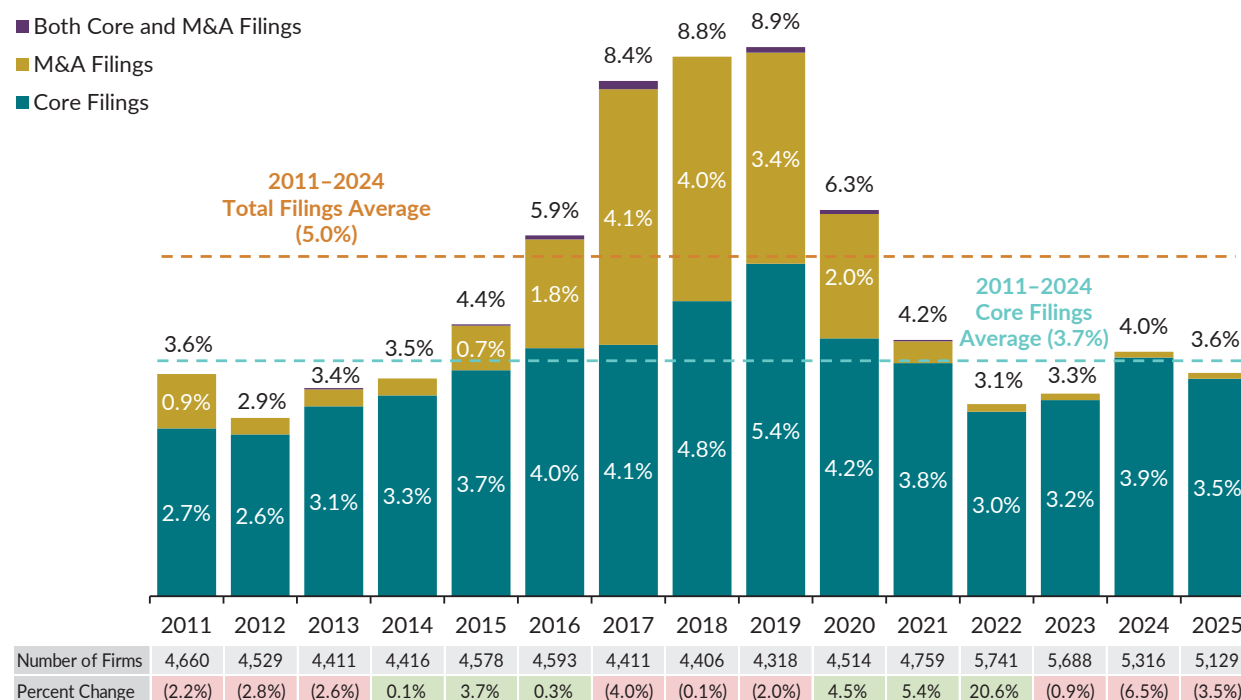
The percentage of U.S. exchange–listed companies subject to core filings decreased from 3.9% in 2024 to 3.5% in 2025, dropping below the 2011–2024 average. Similarly, the percentage of companies subject to all filings decreased from 4.0% in 2024 to 3.6% in 2025, remaining below the 2011–2024 annual average of 5.0%.

The likelihood of a core filing against a U.S. exchange–listed company decreased from 3.9% in 2024 to 3.5% in 2025.

The percentage of U.S. exchange–listed companies subject to M&A filings in 2025 (0.1%) equaled that in 2024.

Between the beginning of 2024 and the beginning of 2025, the overall number of U.S. exchange–listed companies decreased by 3.5%.

Figure 12: Percentage of U.S. Exchange–Listed Companies Subject to Federal or State Filings 2011–2025



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Center for Research in Security Prices (CRSP)

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. All federal filings are counted only once—at the time of the earliest filing. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. Percentages lower than 0.05% are not shown in the figure. The figure considers state 1933 Act filings against U.S. exchange–listed companies beginning in 2010. See Additional Notes to Figures and Appendices for more detailed information and Counts and Totals Methodology.

Heat Maps: S&P 500 Securities Litigation™ for Federal Core Filings

The Heat Maps analysis illustrates federal court securities class action activity by industry sector for companies in the S&P 500 index. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine each sector by:

- (1) The percentage of these companies subject to new securities class actions in federal court during each calendar year.
- (2) The percentage of the total market capitalization of these companies subject to new securities class actions in federal court during each calendar year.

Of the companies in the S&P 500 at the beginning of 2025, 5.8% (29 companies) were subject to a core federal filing, slightly above the 2001–2024 annual average. See Appendix 2A for the percentage of filings by sector from 2001 to 2024.

The likelihood of an S&P 500 company being the subject of a core federal filing decreased slightly to 5.8%.

In 2025, the likelihood of a core federal filing against a company in the Health Care sector increased from 12.5% to 16.7% (10 companies), the sector's highest likelihood since 2016. Of these 10 companies, three are in the Pharmaceuticals subsector and one is in the Biotechnology subsector.

The likelihood of a core federal filing against a company in the Consumer Discretionary sector fell to 2.1% in 2025, following a significant increase from 3.8% in 2023 to 13.2% in 2024.

Figure 13: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to Core Federal Filings

	Average 2001–2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Communication Services/ Telecommunications/ Information Technology	6.5%	4.2%	6.8%	8.5%	12.7%	10.0%	2.0%	5.1%	6.0%	11.6%	7.0%	10.8%
Consumer Discretionary	5.2%	0.0%	3.6%	8.5%	10.0%	3.1%	8.1%	0.0%	3.3%	3.8%	13.2%	2.1%
Consumer Staples	4.2%	5.0%	2.6%	2.7%	11.8%	12.1%	0.0%	6.3%	0.0%	10.5%	7.9%	5.6%
Energy/Materials	1.6%	0.0%	4.5%	3.3%	1.8%	3.7%	1.9%	3.8%	0.0%	1.9%	0.0%	6.3%
Financials/Real Estate	6.6%	1.2%	6.9%	3.3%	7.0%	2.0%	5.3%	0.0%	2.1%	4.8%	2.9%	0.9%
Health Care	8.9%	1.9%	19.6%	8.3%	16.1%	12.9%	6.3%	1.6%	7.8%	10.9%	12.5%	16.7%
Industrials	4.2%	0.0%	6.1%	8.7%	8.8%	10.1%	2.7%	1.4%	4.2%	7.7%	5.1%	1.3%
Utilities	4.8%	3.4%	3.4%	7.1%	7.1%	6.9%	7.1%	0.0%	3.6%	3.3%	0.0%	3.2%
All S&P 500 Companies	5.4%	1.6%	6.8%	6.4%	9.4%	7.2%	4.2%	2.2%	3.8%	7.1%	6.1%	5.8%

0% 0–5% 5–15% 15–25% 25%+

Note: The figure is based on the composition of the S&P 500 as of the last trading day of the previous year. Sectors are based on the Global Industry Classification Standard (GICS), which differ from those in the Bloomberg Industry Classification System used in Figure 10 and Figure 20. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8.

The percentage of total market capitalization of S&P 500 companies subject to core federal filings increased from 6.1% in 2024 to 12.5% in 2025. See Appendix 2B for the share of market capitalization subject to core federal filings by sector from 2001 to 2025.

The percentage of market capitalization exposure for the Communication Services/Telecommunication/Information Technology sector increased sharply, from 2.3% in 2024 to 17.6% in 2025, a more than sevenfold increase. Seven of the top 10 market capitalization companies in the S&P 500 are in this sector. As a result, a single filing against a large market capitalization company in this sector can significantly influence the sector's market capitalization exposure.

The percentage of market capitalization exposure for the Consumer Discretionary sector more than doubled, from 9.9% in 2024 to 20.7% in 2025.

The percentage of total market capitalization exposure for S&P 500 companies more than doubled from 2024 to 2025.

In 2025, the percentage of market capitalization exposure for the Health Care sector remained high at 19.4%.

The percentage of market capitalization exposure for the Financials/Real Estate sector plummeted from 9.0% in 2024 to 0.2% in 2025.

Figure 14: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to Core Federal Filings

	Average 2001-2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Communication Services/ Telecommunications/ Information Technology	7.8%	7.0%	12.3%	4.4%	19.4%	18.0%	1.6%	8.2%	4.0%	17.3%	2.3%	17.6%
Consumer Discretionary	7.8%	0.0%	2.8%	8.2%	4.7%	0.5%	2.2%	0.0%	30.3%	13.1%	9.9%	20.7%
Consumer Staples	4.8%	1.9%	1.0%	6.7%	15.2%	9.1%	0.0%	17.7%	0.0%	7.4%	2.7%	3.2%
Energy/Materials	2.6%	0.0%	19.8%	2.3%	1.4%	1.2%	0.4%	11.3%	0.0%	0.6%	0.0%	4.8%
Financials/Real Estate	11.4%	3.0%	11.9%	1.5%	12.5%	2.2%	16.9%	0.0%	4.7%	2.0%	9.0%	0.2%
Health Care	10.9%	3.1%	14.0%	2.7%	26.3%	6.6%	4.7%	0.5%	12.3%	8.1%	15.7%	19.4%
Industrials	8.1%	0.0%	8.7%	22.3%	19.4%	21.6%	4.9%	0.5%	6.1%	8.3%	9.1%	2.7%
Utilities	6.2%	3.7%	4.4%	9.6%	6.5%	7.9%	6.6%	0.0%	7.2%	16.0%	0.0%	2.6%
All S&P 500 Companies	8.0%	2.8%	10.1%	6.1%	14.9%	10.0%	4.2%	5.2%	8.4%	10.1%	6.1%	12.5%
0% 0-5% 5-15% 15-25% 25%+												

Note: The figure is based on the composition of the S&P 500 as of the last trading day of the previous year. Sectors are based on the Global Industry Classification Standard (GICS), which differ from those in the Bloomberg Industry Classification System used in Figure 10 and Figure 20. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1-3, 7-10, 12, and 17, or Appendices 1, 5, 7, and 8.

Status of Core Federal Securities Class Action Filings

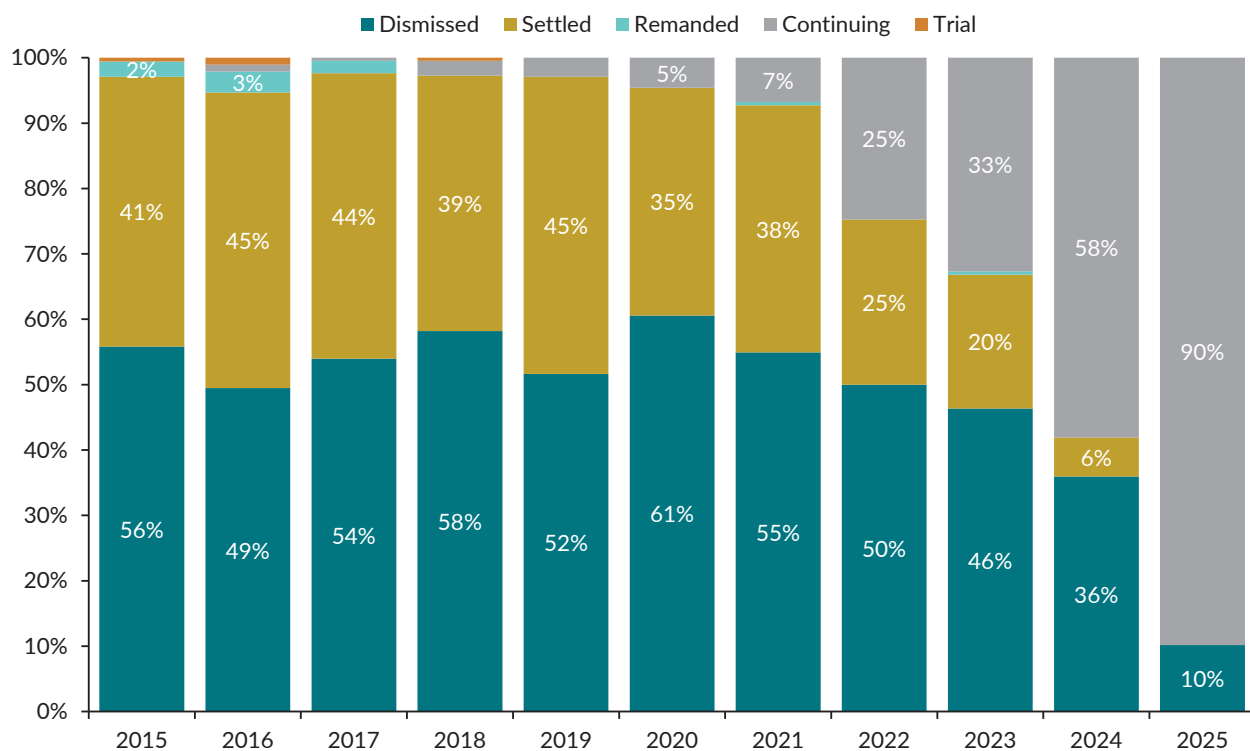
This analysis compares filing groups to determine whether filing outcomes have changed over time. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or by trial. In the first few years after filing, a larger proportion of core federal lawsuits are dismissed rather than settled, but in later years, more are resolved through settlement than dismissal.

From 1997 to 2025, 46% of core federal filings were settled, 45% were dismissed, 0.5% were remanded, and 8% are continuing. During this period, only 0.4% of core federal filings (22 filings) reached trial.

From 2015 to 2022, 54% of core federal filings have been dismissed, 39% of filings have settled, and 5% of filings are ongoing.

More recent cohorts have too many ongoing filings to determine their ultimate resolution rates. For example, of core federal filings that are ongoing, 81% were filed between 2023 and 2025, while 19% were filed before 2023.

Figure 15: Status of Filings by Year—Core Federal Filings 2015–2025



Note: Percentages may not sum to 100% due to rounding. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from Figures 1–3, 7–10, 12, and 17, and Appendices 1, 5, 7, and 8, which account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis.

1933 Act Filings in State Courts

The following data include 1933 Act filings in California, New York, and other state courts. Filings from prior years are added retrospectively when identified. These filings may include Section 11, Section 12, and Section 15 claims but do not include Rule 10b-5 claims. These lawsuits may ultimately be dismissed and filed in other jurisdictions due to the enforcement of federal forum-selection provisions.

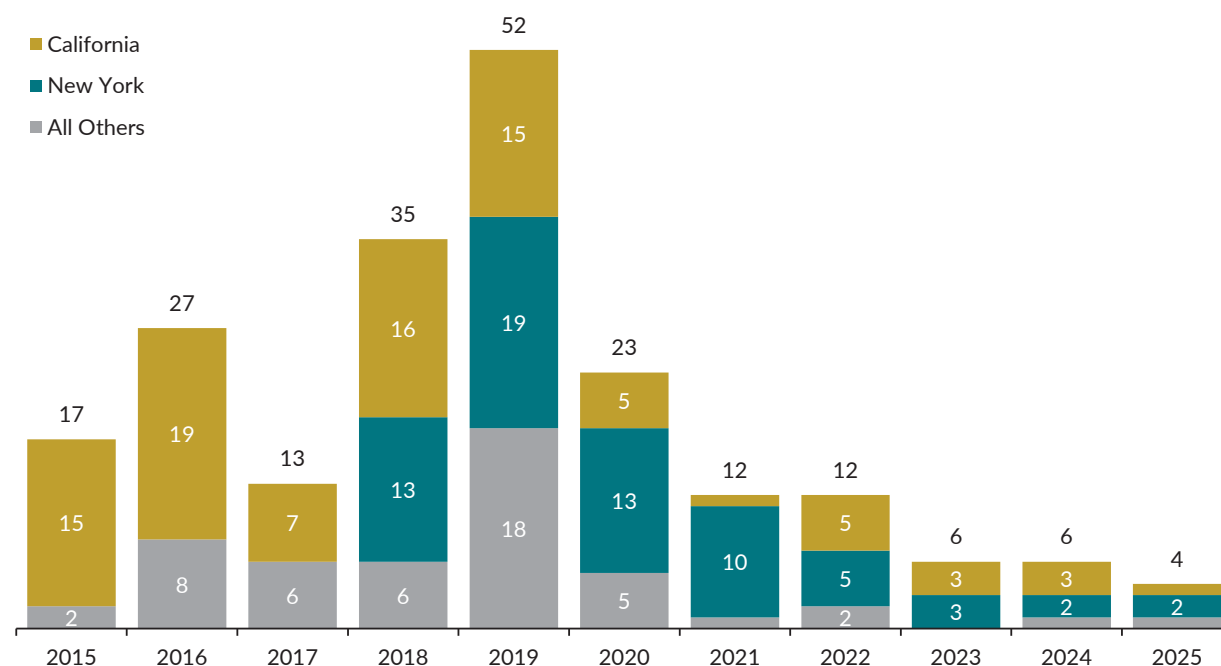
There were four state 1933 Act filings in 2025, three of which were filed in 2025 H1.

State 1933 Act filing counts have remained low since 2020, with only four state 1933 Act filings in 2025.

Of the four state 1933 Act filings in 2025, two were filed in New York, one in California, and one in Washington.

From 2020 to 2025, over 70% of filings (25 of 35) in New York state courts were against foreign issuers.

Figure 16: State 1933 Act Filings by State 2015–2025



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note: This analysis counts all filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for cases that have parallel filings in both state and federal courts. As a result, counts in this figure may not match Figures 3, 17, and 18. See Additional Notes to Figures and Appendices for more detailed information and Counts and Totals Methodology.

IPO Activity and Federal and State 1933 Act Filings

This figure compares IPO activity (operating company IPOs and SPAC IPOs) with counts of federal and state 1933 Act filings.

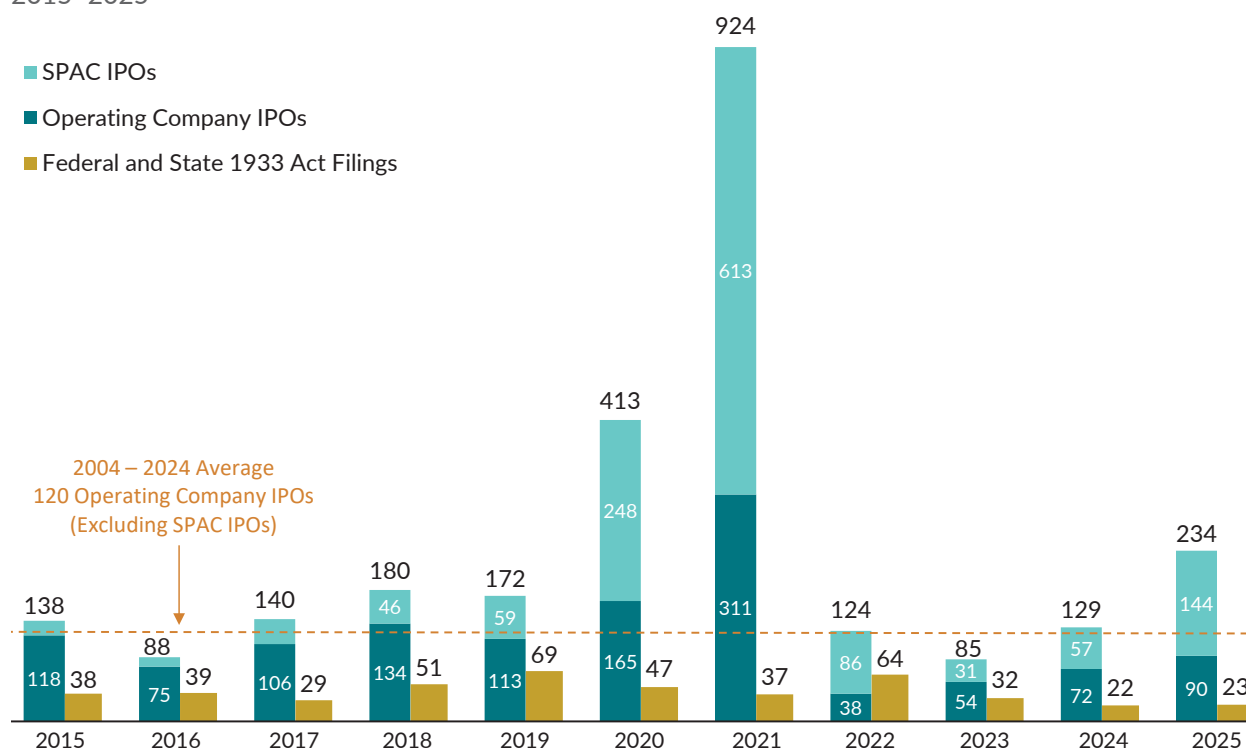
The number of federal and state 1933 Act filings in 2025 (23) was slightly higher than in 2024 (22). The number of IPOs on major U.S. exchanges increased to 234 in 2025.

The number of SPAC IPOs increased from 57 in 2024 to 144 in 2025.

In 2025, the number of operating company IPOs on major U.S. exchanges increased by 25%, but the number of federal and state 1933 Act filings increased by 5%.

In 2025, there was only one 1933 Act SPAC filing.

Figure 17: Number of IPOs on Major U.S. Exchanges and Number of Filings of Federal and State 1933 Act Claims 2015–2025



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Jay R. Ritter, "Initial Public Offerings: Updated Statistics," University of Florida, January 9, 2025

Note: Operating company IPOs exclude the following offerings: those with an offer price of below \$5.00, ADRs, unit offers, closed-end funds, REITs, natural resource limited partnerships, small best-efforts offers, banks and S&Ls, and stocks not included in the CRSP database (CRSP includes Amex, NYSE, and Nasdaq stocks). SPAC IPOs include unit and non-unit SPAC IPOs, as defined by Professor Ritter. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. The federal Section 11 lawsuits displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.

Lag Between IPO and Federal Section 11 and State 1933 Act Filings

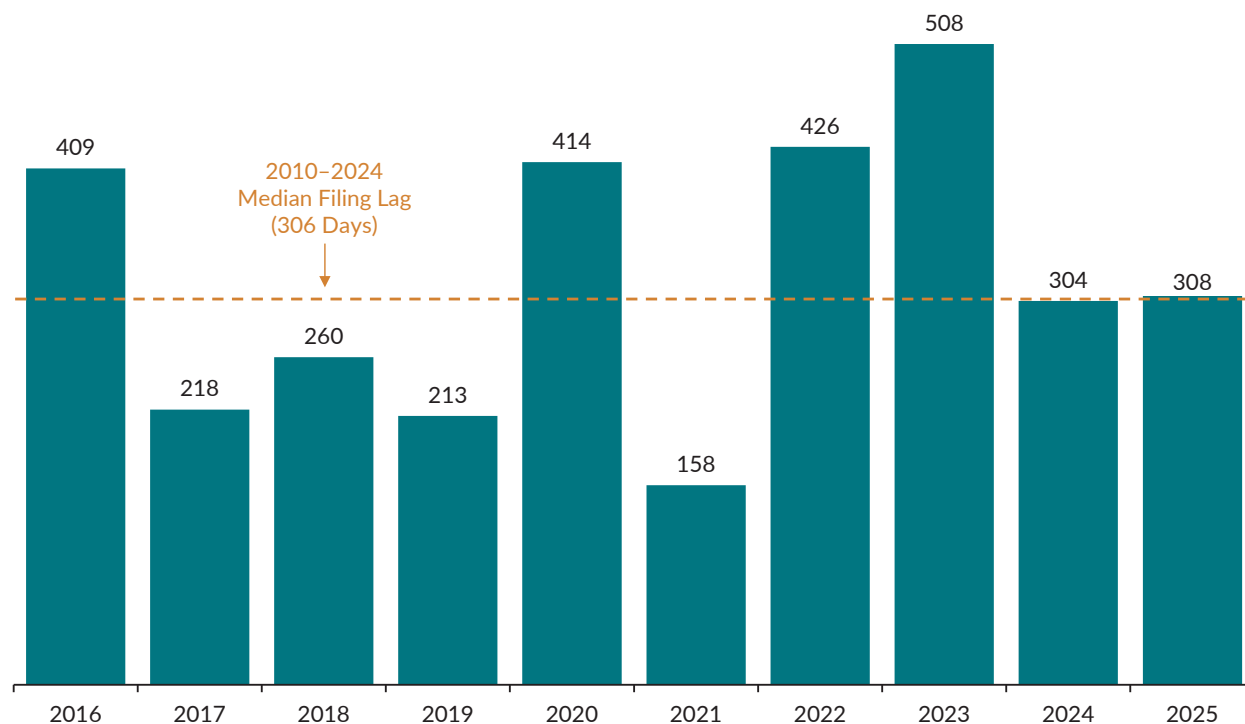
This analysis reviews the number of days between the IPO of a company and the filing date of a federal Section 11 or state 1933 Act securities class action (IPO filing lag).

The IPO filing lag slightly increased to 308 days in 2025 from 304 days in 2024.

Although the IPO filing lag has varied substantially since 2010, it remains relatively centered around the 2010–2024 median filing lag of 306 days.

In 2025, the filing lag for an IPO subject to a federal Section 11 or state 1933 Act claim slightly increased to 308 days, roughly equal to the 2010–2024 median filing lag of 306 days.

Figure 18: Lag Between IPO and Federal Section 11 and State 1933 Act Filings
2016–2025



Note: These data only consider IPOs with a subsequent federal Section 11 or state 1933 Act class action complaint. Only complaints that exclusively referred to an IPO were considered. Federal filings that also include Rule 10b-5 allegations are not considered. Years in the figure refer to the year in which the complaint was filed. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings.

Non-U.S. Core Federal Filings

This index tracks the number of core federal filings against foreign issuers (i.e., companies headquartered outside the United States) relative to total core federal filings.

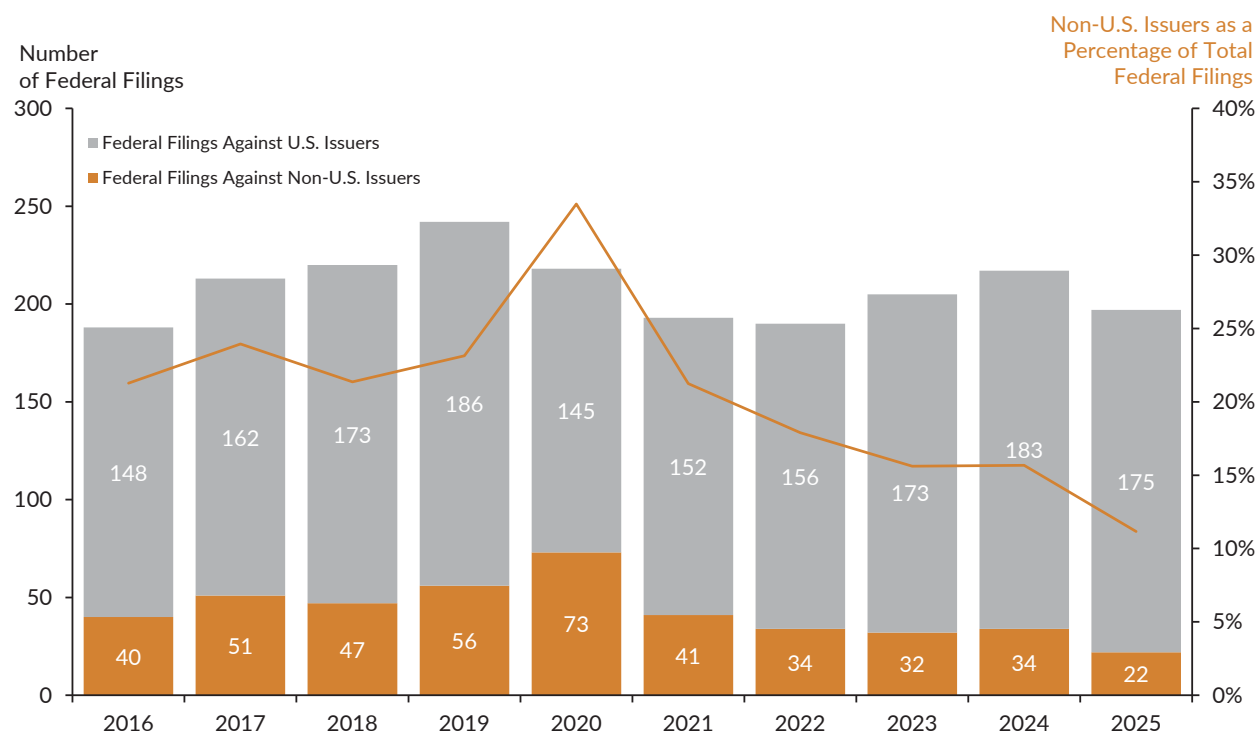
The number of federal filings against non-U.S. issuers decreased by 35%, from 34 filings in 2024 to 22 filings in 2025, well below the 2015–2024 annual average of 44 filings.

The number of federal filings against U.S. issuers decreased from 183 in 2024 to 175 in 2025, remaining above the 2015–2024 annual average of 162.

Core federal filings against non-U.S. issuers as a percentage of total core federal filings in 2025 was 11%, reaching a 15-year low.

As a percentage of total core federal filings, core federal filings against non-U.S. issuers decreased from 16% in 2024 to 11% in 2025, well below the 2015–2024 annual average of 21%.

Figure 19: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2016–2025



Note: This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and filings are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure's filing counts may not match those in Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

Industry Comparison of Core Filings

This analysis of core federal and state filings encompasses both smaller companies and large-capitalization companies, such as those included in the S&P 500. See Appendix 5 for total DDL and MDL by sector.

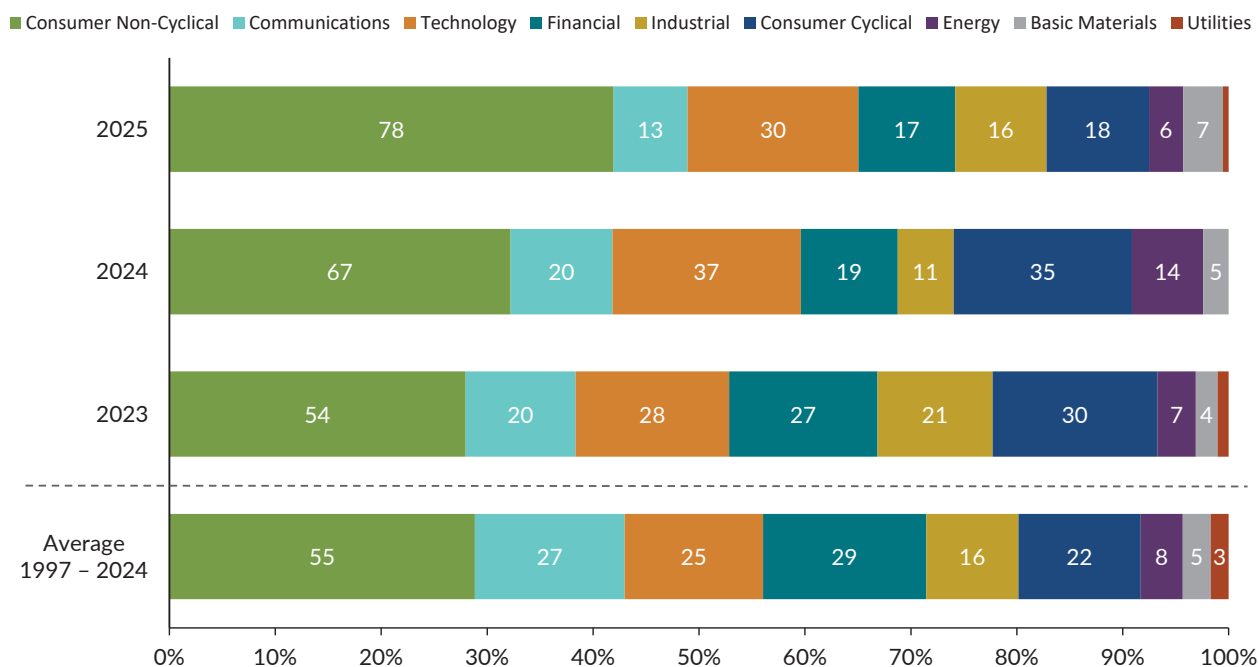
The number of core filings in the Consumer Non-Cyclical sector increased by 16%, from 67 in 2024 to 78 in 2025. Filings in the Healthcare-Products subsector increased by nearly 45% in 2025 (13), compared to 2024 (nine).

The number of core filings in the Technology sector decreased from 37 in 2024 to 30 in 2025, but total MDL for filings in the sector increased by 260%, from \$347 billion in 2024 to \$1,250 billion in 2025.

The number of core filings in the Consumer Cyclical sector declined by nearly 50%, from 35 filings in 2024 to 18 in 2025, largely driven by a decline in Retail and Auto Manufacturers / Auto Parts & Equipment filings.

The number of core filings in the Consumer Cyclical sector decreased by 49% in 2025 relative to 2024.

Figure 20: Filings by Industry—Core Filings



Note: Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this figure may not match other total counts listed in the report. This figure presents combined core federal and state data. It does not present M&A lawsuits. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. Sectors are based on the Bloomberg Industry Classification System. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

Core Federal Filings by Circuit

The number of core filings in the Ninth Circuit declined by 30%, from 69 filings in 2024 to 48 filings in 2025, decreasing to levels below the 1997–2024 annual average (51 filings). However, total MDL in the Ninth Circuit increased by 111%, from \$620 billion in 2024 to \$1,310 billion in 2025. See Appendix 6 for more details.

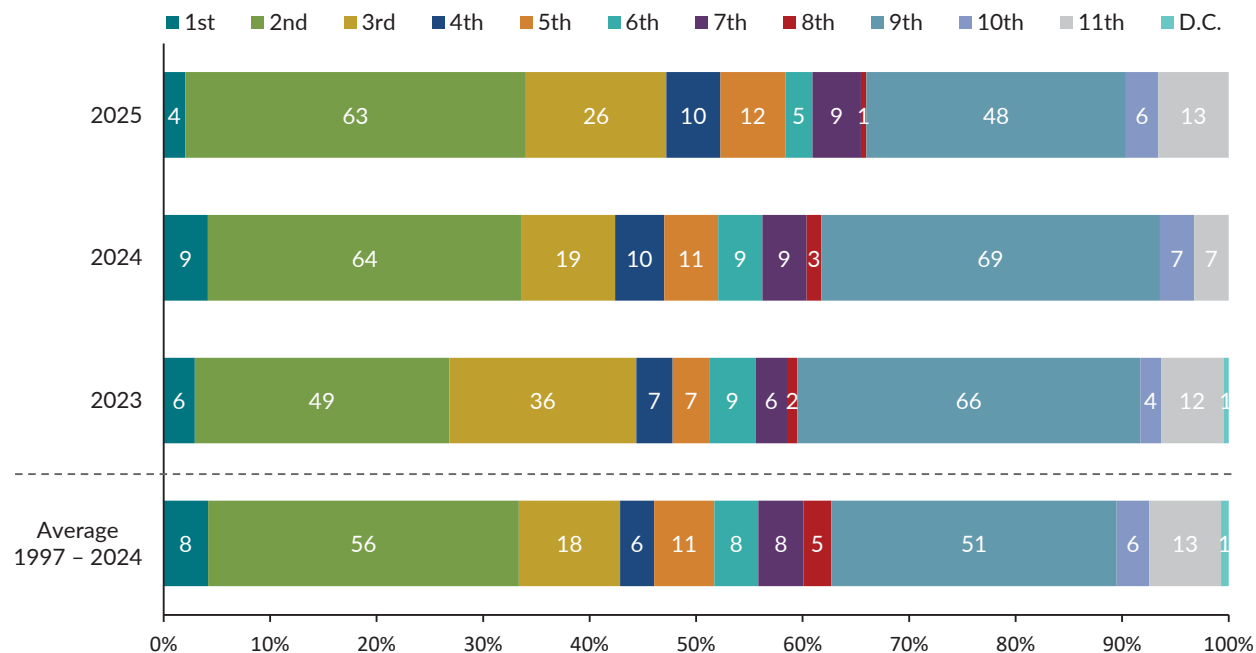
In 2025, the number of core filings in the Second Circuit (63) was roughly the same as in 2024 (64), staying above the 1997–2024 annual average of 56 filings.

The number of core filings in the Ninth Circuit decreased by 30% from 2024 to 2025.

The number of core filings in the Third Circuit in 2025 (26) was higher than in 2024 (19), largely driven by a surge in filings in the Biotechnology (four filings) and Pharmaceuticals (seven filings) subsectors.

The number of core filings in the Eleventh Circuit (13) nearly doubled in 2025 relative to 2024 (seven).

Figure 21: Filings by Circuit—Core Federal Filings



Note: This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing date is reflected in the analysis. As a result, this figure's filing counts may not match those in Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8. See Additional Notes to Figures and Appendices for Counts and Totals Methodology.

New Developments

IN RE FIRSTENERGY CORP. SECURITIES LITIGATION

On August 13, 2025, the Sixth Circuit in *In Re FirstEnergy Corp. Securities Litigation* vacated and remanded the district court's order certifying a class of investors who alleged that the company concealed its involvement in a bribery scheme.¹

The Sixth Circuit did so on two grounds. First, the court decided that plaintiffs were not entitled to a presumption under *Affiliated Ute Citizens of Utah v. United States* because the case involved a mix of misrepresentations and omissions rather than primarily omissions.² The court explained that in cases involving primarily a failure to disclose, *Affiliated Ute* established a presumption of reliance "if an alleged wrongdoer had an 'obligation to disclose' and 'the facts withheld [are] material in the sense that a reasonable investor might have considered them important in the making of [a] decision [to invest].'"³ In contrast, in cases involving material misrepresentations, the presumption articulated in *Basic v. Levinson* "establishes a presumption of reliance 'on the integrity of the market price' and thus on the misrepresentations."⁴

The court then articulated a four-factor test for determining whether the case is primarily based on misrepresentations or omissions: "(1) the alleged omissions are only the inverse of the misrepresentations, i.e., the only omissions are the truth that is misrepresented; (2) reliance is in fact possible to prove by pointing to an alleged misrepresentation and connecting it to an injury; (3) the preponderance and primary thrust of the claims involve alleged misrepresentations made by the defendant(s); or (4) the alleged omissions have no standalone impact apart from any alleged misrepresentations."⁵

According to the court, "[i]f even one of these four factors is satisfied, the mixed case is primarily based on misrepresentations and thus subject to analysis under the *Basic* presumption. If and only if none of these four factors are satisfied, then the mixed case is primarily based on omissions and thus subject to analysis under the *Affiliated Ute* presumption."⁶

The court determined that because the allegations "make up a mixed case that is primarily based on misrepresentations," the case must be analyzed under *Basic*, not *Affiliated Ute*.⁷

Second, the Sixth Circuit found that the district court failed to perform the "rigorous analysis" mandated by *Comcast Corp. v. Behrend* to determine whether damages for claims under the Exchange Act of 1934 were capable of measurement on a class-wide basis.⁸ As to plaintiffs' Exchange Act claims, the district court concluded "that predominance exists with respect to damages for the same reasons as articulated in the previous section," which concerned claims brought under the Securities Act of 1933, not under the Exchange Act.⁹

The Sixth Circuit explained that the two statutes calculate damages entirely differently. Under the Securities Act, damages are calculated based on a statutory formula. In contrast, "not only does the statutory text [of the Exchange Act] lack any such damage-calculation formula, but the Supreme Court has also explicitly required proof of loss causation, a requirement nowhere in the Securities Act."¹⁰

According to the court, "a rigorous analysis of the Exchange Act claims demanded much more from the district court than its cursory reference to the analysis of the Securities Act claims."¹¹ The court therefore remanded the case "for the application of *Comcast's* 'rigorous analysis' to determine if Plaintiffs for their Exchange Act claims set forth a methodology for calculating damages on a classwide basis that is susceptible of measurement across the entire class and satisfies the predominance requirement of Rule 23(b)(3)."¹²

SEC POLICY STATEMENT ON MANDATORY ARBITRATION PROVISIONS

On September 17, 2025, the Securities and Exchange Commission (SEC) issued a policy statement that "the presence of a provision requiring arbitration of investor claims arising

under the Federal securities laws will not impact decisions regarding whether to accelerate the effectiveness of a registration statement.”¹³ The SEC also stated that it had “concluded that, in the context of issuer-investor mandatory arbitration provisions, the Federal securities statutes do not override the Arbitration Act’s policy favoring enforcement of arbitration agreements.”¹⁴ According to the SEC, “when considering acceleration requests . . . the staff will focus on the adequacy of the registration statement’s disclosures, including disclosure regarding issuer-investor mandatory arbitration provisions.”¹⁵

Endnotes

- 1 In re FirstEnergy Corp. Securities Litigation, No. 23-3940 (6th Cir. Aug. 13, 2025), at 2.
- 2 Ibid. at 12.
- 3 Ibid. at 10.
- 4 Ibid.
- 5 Ibid. at 11.
- 6 Ibid.
- 7 Ibid.
- 8 Ibid. at 37.
- 9 Ibid.
- 10 Ibid. at 38.
- 11 Ibid. at 39.
- 12 Ibid.
- 13 Final Rule, Policy Statement, “Acceleration of Effectiveness of Registration Statements of Issuers with Certain Mandatory Arbitration Provisions,” Rel. Nos. 33-11389, 34-103988 (Sept. 17, 2025), at 1.
- 14 Ibid. at 9.
- 15 Ibid. at 4, 18.

Glossary

Annual Number of Class Action Filings by Location of Headquarters (formerly known as the Class Action Filings Non-U.S. Index) tracks the number of core federal filings against non-U.S. issuers (companies headquartered outside the United States) relative to total core federal filings.

Class Action Filings Index® (CAF Index®) tracks the number of federal securities class action filings.

Core filings are all state 1933 Act class actions and all federal securities class actions excluding those defined as M&A filings.

Disclosure Dollar Loss Index® (DDL Index®) measures the aggregate DDL for all federal and state filings over a period of time. DDL is the dollar-value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed at the end of the class period, including information unrelated to the litigation. Reported DDL is inflation-adjusted to 2025 dollars (from the year of the end of the alleged class period for Rule 10b-5 filings and the filing year for all other filings) using the Consumer Price Index for All Urban Consumers (CPI-U).

Dollar Loss on Offered Shares Index™ (DLOS Index™) measures the aggregate DLOS for federal filings with only Section 11 claims and for state 1933 Act filings. DLOS is the change in the dollar-value of shares acquired by members of the putative class. It is the difference in the price of offered shares (i.e., from the date the registration statement becomes effective through the filing date of the first identified complaint multiplied by the shares offered). DLOS should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed between the date of the registration statement and the complaint filing date, including information unrelated to the litigation. Reported DLOS is inflation-adjusted to 2025

dollars from the filing year using the Consumer Price Index for All Urban Consumers (CPI-U).

First identified complaint is the first complaint filed of one or more securities class action complaints with the same underlying allegations filed against the same defendant or set of defendants. When there is no federal complaint and multiple state complaints are filed, they are treated as separate filings.

Market capitalization losses measure changes to market values of the companies subject to class action filings. This report tracks market capitalization losses for defendant firms during and at the end of class periods. They are calculated for publicly traded common equity securities, closed-ended mutual funds, and exchange-traded funds where data are available. Declines in market capitalization may be driven by market, industry, and/or firm-specific factors. To the extent that the observed losses reflect factors unrelated to the allegations in class action complaints, indices based on class period losses would not be representative of potential defendant exposure in class actions. This is especially relevant in the post-*Dura* securities litigation environment. In April 2005, the U.S. Supreme Court ruled that plaintiffs in a securities class action are required to establish a causal connection between alleged wrongdoing and subsequent shareholder losses. This report tracks market capitalization losses at the end of each class period using DDL, and market capitalization losses during each class period using MDL.

Maximum Dollar Loss Index® (MDL Index®) measures the aggregate MDL for all federal and state filings over a period of time. MDL is the dollar-value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed during or at the end of the class period, including information unrelated to the litigation. Reported MDL is inflation-adjusted to 2025 dollars (from the year

of the end of the alleged class period for Rule 10b-5 filings and the filing year for all other filings) using the Consumer Price Index for All Urban Consumers (CPI-U).

Merger and acquisition (M&A) filings are securities class actions filed in federal courts that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(a) claims, and involve merger and acquisition transactions.

Trend categories are categories of related securities class actions filed in federal courts. Current trend categories include AI, COVID-19, Cryptocurrency, Cybersecurity, and SPAC.

Securities Class Action Clearinghouse (SCAC) and **Stanford Securities Litigation Analytics (SSLA)** are authoritative sources of data and analysis on the financial and economic characteristics of federal and state securities fraud class action litigation. SCAC is cosponsored by Cornerstone Research and Stanford Law School.

State 1933 Act filing is a class action filed in a state court that asserts claims under Section 11 and/or Section 12 of the Securities Act of 1933. These filings may also have Section 15 claims, but do not have Rule 10b-5 claims.

Additional Notes to Figures and Appendices

Counts and Totals Methodology

1. A parallel filing is a filing in federal court that has a related filing in state court.
2. For a state court filing to be considered parallel it must be filed against the same defendant, concern the same security, and contain similar allegations to the federal filing.
3. Any additional filing against the same defendant brought in a different state without an additional federal court filing is counted as a unique state filing.
4. When parallel lawsuits are filed in different years or semiannual periods, only the earliest filing is reflected in filing counts and totals.
5. Parallel filings are only used in figures that show combined counts or totals across federal and state courts.
6. Figures that separately present state and federal counts or totals do not identify parallel filings. Therefore, counts and totals in each period are based on the date of each filing, rather than the earliest of the parallel state and federal filing dates. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.
7. Figures that only present state counts or totals similarly do not identify parallel filings. Therefore, counts and totals in each period are only based on the dates of state filings. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.
8. Figures that only present federal counts or totals similarly do not identify parallel filings. Therefore, counts and totals in each period are only based on the dates of federal filings. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.

Figure 3: Federal Filings and State 1933 Act Filings by Venue

1. Categorizations of allegations are based on the first identified complaint.
2. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
3. Federal Section 10(b)–only filings may have non–Section 11 or non–Section 12 allegations.
4. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.

Figure 4: Summary of Trend Filings—Core Federal Filings

Definitions of Trend Categories:

Artificial Intelligence–related filings are those in which the company at issue (1) develops AI models, (2) manufactures products used in AI infrastructure, or (3) uses AI models for business purposes; and, in addition, the allegations are

related to AI, or misrepresentations or failures to disclose risks associated with the use of AI. AI-related filings include those with allegations related to machine learning and autonomous driving, among others.

COVID-19-related filings include allegations related to companies negatively impacted by the pandemic or looking to address demand for products as a result of the pandemic.

Cryptocurrency-related filings include allegations against defendants that owned, operated, or controlled entities that engaged in the sale or exchange of tokens (commonly initial coin offerings) or non-fungible tokens (NFTs), cryptocurrency mining, cryptocurrency derivatives, or that designed blockchain-focused software.

Cybersecurity-related filings are those in which allegations relate to data breaches or security vulnerabilities.

SPAC filings concern companies that went public for the express purpose of acquiring an existing company in the future. These include current and former SPACs.

In 2025, two filings against SPACs also had cryptocurrency-related allegations, and one filing had both AI and cybersecurity-related allegations. In 2024, one filing against a SPAC also had COVID-19-related allegations, and two filings against SPACs also had AI-related allegations. In 2023, one filing against a SPAC also had cryptocurrency-related allegations, one filing against a SPAC also had AI-related allegations, and one filing against a SPAC had allegations related to cybersecurity. In 2022, two filings against SPACs also had cryptocurrency-related allegations, and two filings against SPACs also had AI-related allegations. One filing against a SPAC also had COVID-19-related allegations. In 2021, one filing against a SPAC also had AI-related allegations, one filing had both cryptocurrency-related allegations and cybersecurity allegations, and one filing had both cybersecurity allegations and AI-related allegations.

Figure 11: Allegations Box Score—Core Federal Filings

Definitions

1933 Act Claims are allegations made in the first identified complaint (FIC) of violations of Section 11 or Section 12(a) of the Securities Act of 1933.

Misrepresentations in Financial Documents are allegations made in the FIC that financial documents included misrepresentations. Financial documents include, but are not limited to, those filed with the U.S. Securities and Exchange Commission (SEC) (e.g., Form 10-Ks and registration statements) and press releases announcing financial results.

Accounting Violations are allegations made in the FIC of U.S. GAAP violations or violations of other reporting standards such as IFRS. In some cases, plaintiff(s) may not have expressly referenced violations of U.S. GAAP or other reporting standards; however, the allegations, if true, would represent violations of U.S. GAAP or other reporting standards.

Announced Restatements are alleged when the FIC includes Accounting Violations and refers to an announcement during

or subsequent to the class period that the company will restate, may restate, or has unreliable financial statements.

Internal Control Weaknesses are allegations made in the FIC of internal control weaknesses over financial reporting.

Announced Internal Control Weaknesses are alleged when the FIC includes Internal Control Weaknesses and refers to an announcement during or subsequent to the class period that the company has internal control weaknesses over financial reporting.

Figure 12: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings

1. Percentages are calculated by dividing the unique number of issuers listed on the NYSE or Nasdaq subject to filings by the unique number of companies listed on the NYSE or Nasdaq as of the beginning of the year. Percentages may not sum due to rounding.
2. Core Filings and M&A Filings do not include instances in which a company has been subject to both a core and M&A filing in the same year. These are reported separately in the category labeled "Both Core and M&A Filings." Since 2009 there have been 22 instances in which a company has been subject to both core and M&A filings in the same year. In 2017, 0.14% of U.S. exchange-listed companies were subject to both a core and M&A filing in the same year. In 2009, 2010, 2013, 2015, 2016, 2019, 2020, and 2021, less than 0.1% of U.S. exchange-listed companies were subject to both a core and M&A filing in the same year. In all other years since 2009, there were no companies subject to both core and M&A filings in the same year.
3. Listed companies were identified by taking the count of listed securities at the beginning of each year and accounting for cross-listed companies or companies with more than one security traded on a given exchange. Securities were counted if they were classified as common stock or American depositary receipts (ADRs) and listed on the NYSE or Nasdaq.
4. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in Figure 12. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. The figure begins including issuers facing suits in state 1933 Act filings in 2010.

Figure 13: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to Core Federal Filings

1. Percentage of Companies Subject to Core Federal Filings equals the number of companies subject to new securities class action filings in federal courts in each sector divided by the total number of companies in that sector.
2. In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such

as Alphabet and Meta) were reclassified into the Communication Services sector.

Figure 14: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to Core Federal Filings

1. Percentage of Market Capitalization Subject to Core Federal Filings equals the market capitalization of companies subject to new securities class action filings in federal courts in each sector divided by the total market capitalization of companies in that sector.
2. In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such as Alphabet and Meta) were reclassified into the Communication Services sector.

Figure 16: State 1933 Act Filings by State

1. All Others contains filings in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin.
2. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.
3. This analysis compares all Section 11 filings in federal courts with all 1933 Act filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for lawsuits that have parallel filings in both state and federal courts. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports.

Appendices

Appendix 1: Filings Basic Metrics

Year	Class Action Filings	Core Filings	Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
			DDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	MDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	Number	Number of Listed Firms Sued	Percentage of Listed Firms Sued
1997	174	174	\$84	\$548	\$115	\$294	\$1,909	\$813	8,113	165	2.0%
1998	242	242	\$159	\$722	\$120	\$443	\$2,013	\$580	8,190	225	2.7%
1999	209	209	\$271	\$1,473	\$197	\$704	\$3,828	\$729	7,771	197	2.5%
2000	216	216	\$449	\$2,341	\$223	\$1,424	\$7,415	\$1,310	7,418	205	2.8%
2001	180	180	\$364	\$2,230	\$168	\$2,727	\$16,730	\$1,402	7,197	168	2.3%
2002	224	224	\$360	\$1,772	\$245	\$3,674	\$18,100	\$2,674	6,474	204	3.2%
2003	192	192	\$136	\$796	\$176	\$1,016	\$5,940	\$842	5,999	181	3.0%
2004	228	228	\$247	\$1,265	\$183	\$1,256	\$6,439	\$861	5,643	210	3.7%
2005	182	182	\$154	\$988	\$255	\$606	\$3,888	\$817	5,593	168	3.0%
2006	120	120	\$83	\$799	\$174	\$476	\$4,577	\$659	5,525	113	2.0%
2007	177	177	\$247	\$1,584	\$242	\$1,097	\$7,031	\$1,110	5,467	158	2.9%
2008	224	224	\$332	\$2,275	\$321	\$1,227	\$8,403	\$1,610	5,339	170	3.2%
2009	164	157	\$126	\$1,248	\$207	\$826	\$8,176	\$1,598	5,042	118	2.3%
2010	174	135	\$108	\$1,028	\$215	\$707	\$6,730	\$883	4,764	105	2.2%
2011	189	146	\$165	\$1,224	\$132	\$758	\$5,616	\$649	4,660	127	2.7%
2012	154	142	\$138	\$1,074	\$214	\$574	\$4,451	\$912	4,529	119	2.6%
2013	165	152	\$143	\$1,039	\$211	\$385	\$2,791	\$739	4,411	137	3.1%
2014	170	158	\$76	\$516	\$224	\$301	\$2,032	\$718	4,416	144	3.3%
2015	217	183	\$162	\$912	\$196	\$564	\$3,168	\$696	4,578	169	3.7%
2016	288	204	\$143	\$745	\$224	\$1,139	\$5,934	\$1,402	4,593	188	4.1%
2017	412	214	\$165	\$844	\$196	\$677	\$3,453	\$874	4,411	186	4.2%
2018	420	238	\$426	\$2,037	\$382	\$1,694	\$8,106	\$1,374	4,406	211	4.8%
2019	427	267	\$357	\$1,504	\$273	\$1,500	\$6,329	\$1,272	4,318	237	5.5%
2020	331	232	\$334	\$1,655	\$224	\$1,887	\$9,339	\$1,252	4,514	192	4.3%
2021	218	200	\$326	\$1,854	\$448	\$1,124	\$6,385	\$1,686	4,759	181	3.8%
2022	208	201	\$652	\$3,930	\$277	\$2,674	\$16,108	\$2,350	5,741	172	3.0%
2023	215	209	\$369	\$2,016	\$366	\$3,432	\$18,755	\$2,475	5,688	181	3.2%
2024	226	221	\$429	\$2,258	\$410	\$1,639	\$8,625	\$1,854	5,316	206	3.9%
2025	207	201	\$694	\$4,059	\$503	\$2,862	\$16,738	\$2,370	5,129	181	3.5%
Average 1997–2024	227	194	\$250	\$1,453	\$236	\$1,244	\$7,224	\$1,219	5,531	173	3.2%

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. State 1933 Act filings are included in the data beginning in 2010. As a result, filing counts and index totals in this appendix may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. There are core filings for which data are not available to estimate MDL and DDL accurately; these filings are excluded from MDL and DDL analysis. The numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports.

Appendix 2A: S&P 500 Securities Litigation—Percentage of S&P 500 Companies Subject to Core Federal Filings

Year	Class Action Filings	Core Filings	Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
			DDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	MDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	Number	Number of Listed Firms Sued	Percentage of Listed Firms Sued
1997	174	174	\$84	\$548	\$115	\$294	\$1,909	\$813	8,113	165	2.0%
1998	242	242	\$159	\$722	\$120	\$443	\$2,013	\$580	8,190	225	2.7%
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2000	216	216	\$449	\$2,341	\$223	\$1,424	\$7,415	\$1,310	7,418	205	2.8%
2001	180	180	\$364	\$2,230	\$168	\$2,727	\$16,730	\$1,402	7,197	168	2.3%
2002	224	224	\$360	\$1,772	\$245	\$3,674	\$18,100	\$2,674	6,474	204	3.2%
2003	192	192	\$136	\$796	\$176	\$1,016	\$5,940	\$842	5,999	181	3.0%
2004	228	228	\$247	\$1,265	\$183	\$1,256	\$6,439	\$861	5,643	210	3.7%
2005	182	182	\$154	\$988	\$255	\$606	\$3,888	\$817	5,593	168	3.0%
2006	120	120	\$83	\$799	\$174	\$476	\$4,577	\$659	5,525	113	2.0%
2007	177	177	\$247	\$1,584	\$242	\$1,097	\$7,031	\$1,110	5,467	158	2.9%
2008	224	224	\$332	\$2,275	\$321	\$1,227	\$8,403	\$1,610	5,339	170	3.2%
2009	164	157	\$126	\$1,248	\$207	\$826	\$8,176	\$1,598	5,042	118	2.3%
2010	174	135	\$108	\$1,028	\$215	\$707	\$6,730	\$883	4,764	105	2.2%
2011	189	146	\$165	\$1,224	\$132	\$758	\$5,616	\$649	4,660	127	2.7%
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2013	165	152	\$143	\$1,039	\$211	\$385	\$2,791	\$739	4,411	137	3.1%
2014	170	158	\$76	\$516	\$224	\$301	\$2,032	\$718	4,416	144	3.3%
2015	217	183	\$162	\$912	\$196	\$564	\$3,168	\$696	4,578	169	3.7%
2016	288	204	\$143	\$745	\$224	\$1,139	\$5,934	\$1,402	4,593	188	4.1%
2017	412	214	\$165	\$844	\$196	\$677	\$3,453	\$874	4,411	186	4.2%
2018	420	238	\$426	\$2,037	\$382	\$1,694	\$8,106	\$1,374	4,406	211	4.8%
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2022	208	201	\$652	\$3,930	\$277	\$2,674	\$16,108	\$2,350	5,741	172	3.0%
2023	215	209	\$369	\$2,016	\$366	\$3,432	\$18,755	\$2,475	5,688	181	3.2%
2024	226	221	\$429	\$2,258	\$410	\$1,639	\$8,625	\$1,854	5,316	206	3.9%
2025	207	201	\$694	\$4,059	\$503	\$2,862	\$16,738	\$2,370	5,129	181	3.5%
Average 1997–2024	227	194	\$250	\$1,453	\$236	\$1,244	\$7,224	\$1,219	5,531	173	3.2%

Appendix 2B: S&P 500 Securities Litigation—Percentage of Market Capitalization of S&P 500 Companies Subject to Core Federal Filings

Year	Consumer Discretionary	Consumer Staples	Energy/ Materials	Financials/ Real Estate	Health Care	Industrials	Telecomm./ Comm./IT	Utilities	All S&P 500 Companies
2001	1.3%	6.3%	0.0%	0.8%	5.4%	0.0%	32.6%	17.4%	10.9%
2002	24.7%	0.3%	1.2%	29.2%	35.2%	13.3%	9.9%	51.0%	19.0%
2003	1.3%	2.3%	0.4%	19.9%	16.3%	4.6%	1.7%	4.3%	7.9%
2004	7.9%	0.1%	29.7%	46.1%	24.1%	8.8%	1.9%	4.8%	17.9%
2005	5.7%	11.7%	1.6%	22.2%	10.1%	5.6%	10.6%	5.6%	10.8%
2006	8.9%	0.8%	0.0%	8.2%	18.1%	0.0%	8.3%	0.0%	6.7%
2007	4.4%	0.0%	0.0%	18.1%	22.5%	2.2%	3.4%	5.5%	8.2%
2008	7.2%	2.6%	0.0%	53.7%	20.0%	26.4%	1.4%	4.0%	16.0%
2009	1.9%	3.9%	0.8%	34.8%	1.7%	23.2%	0.3%	0.0%	8.2%
2010	4.9%	0.0%	5.2%	28.4%	32.7%	0.0%	0.8%	0.0%	9.5%
2011	4.6%	0.8%	0.0%	8.8%	0.7%	2.1%	9.6%	0.0%	4.4%
2012	1.6%	14.0%	0.9%	11.0%	0.8%	1.2%	2.2%	0.0%	4.3%
2013	4.4%	0.0%	0.0%	0.0%	4.4%	0.0%	16.6%	0.0%	4.7%
2014	2.5%	0.0%	0.2%	0.3%	0.0%	1.7%	0.0%	0.0%	0.6%
2015	0.0%	1.9%	0.0%	3.0%	3.1%	0.0%	7.0%	3.7%	2.8%
2016	2.8%	1.0%	19.8%	11.9%	14.0%	8.7%	12.3%	4.4%	10.1%
2017	8.2%	6.7%	2.3%	1.5%	2.7%	22.3%	4.4%	9.6%	6.1%
2018	4.7%	15.2%	1.4%	12.5%	26.3%	19.4%	19.4%	6.5%	14.9%
2019	0.5%	9.1%	1.2%	2.2%	6.6%	21.6%	18.0%	7.9%	10.0%
2020	2.2%	0.0%	0.4%	16.9%	4.7%	4.9%	1.6%	6.6%	4.2%
2021	0.0%	17.7%	11.3%	0.0%	0.5%	0.5%	8.2%	0.0%	5.2%
2022	30.3%	0.0%	0.0%	4.7%	12.3%	6.1%	4.0%	7.2%	8.4%
2023	13.1%	7.4%	0.6%	2.0%	8.1%	8.3%	17.3%	16.0%	10.1%
2024	9.9%	2.7%	0.0%	9.0%	15.7%	9.1%	2.3%	0.0%	6.1%
2025	20.7%	3.2%	4.8%	0.2%	19.4%	2.7%	17.6%	2.6%	12.5%
Average 2001–2024	7.8%	4.8%	2.6%	11.4%	10.9%	8.1%	7.8%	6.2%	8.0%

Note: Average figures are calculated as the sum of the market capitalization subject to core filings in a given sector from 2001 to 2024 divided by the sum of market capitalization in that sector from 2001 to 2024.

Appendix 3: M&A Federal Filings Overview

Year	M&A Filings	M&A Case Status					Case Status of All Other Federal Filings				
		Dismissed	Settled	Remanded	Continuing	Trial	Dismissed	Settled	Remanded	Continuing	Trial
2014	12	9	3	0	0	0	66	87	2	1	0
2015	34	27	7	0	0	0	96	71	4	0	1
2016	84	70	14	0	0	0	93	85	6	2	2
2017	198	190	7	1	0	0	115	93	4	1	0
2018	182	176	6	0	0	0	128	86	0	5	1
2019	160	156	3	0	0	1	125	110	0	7	0
2020	99	97	2	0	0	0	132	76	0	10	0
2021	18	16	2	0	0	0	106	73	1	13	0
2022	7	4	2	1	0	0	95	48	0	47	0
2023	6	5	1	0	0	0	95	42	1	67	0
2024	5	4	0	0	1	0	78	13	0	126	0
2025	6	2	0	0	4	0	20	0	0	177	0
Average 2014–2024	73	69	4	0	0	0	103	71	2	25	0

Note: The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009. Case status is as of January 16, 2026. Filings are grouped by complaint filing year, not the year of the most recent change in case status. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8.

Appendix 4: Status by Year—Core Federal Filings

Filing Year	In the First Year			In the Second Year			In the Third Year		
	Settled	Dismissed	Total Resolved within One Year	Settled	Dismissed	Total Resolved within Two Years	Settled	Dismissed	Total Resolved within Three Years
1997	0.6%	7.5%	8.0%	15.5%	8.6%	32.2%	17.2%	4.0%	53.4%
1998	0.8%	7.4%	8.3%	16.1%	12.8%	37.2%	15.7%	7.9%	60.7%
1999	0.5%	6.7%	7.2%	11.0%	12.0%	30.1%	18.2%	9.1%	57.4%
2000	1.9%	4.2%	6.0%	11.6%	13.0%	30.6%	16.2%	10.6%	57.9%
2001	1.7%	6.7%	8.3%	11.7%	10.6%	30.6%	18.3%	5.0%	53.9%
2002	0.9%	5.8%	7.1%	6.7%	9.8%	23.7%	14.7%	11.2%	49.6%
2003	0.5%	7.8%	8.3%	8.3%	13.5%	30.2%	14.1%	14.6%	58.9%
2004	0.0%	11.0%	11.0%	9.6%	16.2%	36.8%	12.7%	9.6%	59.2%
2005	0.5%	11.5%	12.1%	6.6%	19.2%	37.9%	18.1%	8.8%	64.8%
2006	0.8%	9.2%	10.0%	9.2%	16.7%	35.8%	16.7%	7.5%	60.0%
2007	1.1%	7.3%	8.5%	8.5%	18.1%	35.0%	18.6%	11.9%	65.5%
2008	0.0%	13.0%	13.9%	4.9%	20.2%	39.0%	10.3%	10.3%	59.6%
2009	0.0%	9.6%	9.6%	6.4%	22.9%	38.9%	8.9%	9.6%	57.3%
2010	1.5%	11.0%	13.2%	8.8%	20.6%	42.6%	5.9%	13.2%	61.8%
2011	0.0%	12.4%	13.1%	4.1%	18.6%	35.9%	22.1%	11.7%	69.7%
2012	0.7%	12.9%	15.1%	4.3%	25.9%	45.3%	18.0%	6.5%	69.8%
2013	0.0%	19.1%	19.7%	10.5%	25.0%	55.3%	14.5%	5.3%	75.0%
2014	0.6%	10.9%	12.8%	9.6%	21.8%	44.2%	18.6%	7.7%	70.5%
2015	0.0%	18.0%	20.3%	7.0%	23.8%	51.2%	11.0%	8.7%	70.9%
2016	0.0%	14.4%	16.0%	8.0%	22.3%	46.8%	11.2%	7.4%	66.5%
2017	0.0%	18.3%	19.7%	5.2%	22.5%	47.9%	11.3%	7.5%	66.7%
2018	0.0%	13.6%	13.6%	6.8%	22.3%	42.7%	9.1%	11.8%	63.6%
2019	0.0%	14.5%	14.5%	6.2%	24.8%	45.5%	15.3%	7.9%	68.6%
2020	0.5%	17.9%	18.3%	5.5%	22.9%	46.8%	10.6%	9.2%	66.5%
2021	0.0%	14.0%	14.5%	4.7%	15.5%	34.7%	12.4%	14.0%	61.1%
2022	0.5%	12.6%	13.2%	4.2%	14.2%	31.6%	10.5%	20.5%	62.6%
2023	0.5%	9.8%	10.2%	9.8%	26.8%	46.8%	10.2%	9.8%	67.3%
2024	1.4%	18.9%	20.3%	4.6%	17.1%	41.9%	-	-	-
2025	0.0%	10.2%	10.2%	-	-	-	-	-	-

Note: Percentages may not sum due to rounding. Percentages below the dashed lines indicate cohorts for which data are not complete. Status is reported as of the last significant docket update as determined by Cornerstone Research, Stanford Law School Securities Class Action Clearinghouse, and Stanford Securities Litigation Analytics, and is up to date as of the end of 2025. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8.

Appendix 5: Filings by Industry—Core Filings

(Dollars in 2025 billions)

Industry	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2024	2023	2024	2025	Average 1997–2024	2023	2024	2025	Average 1997–2024	2023	2024	2025
Financial	29	27	19	17	\$32	\$56	\$54	\$8	\$191	\$263	\$141	\$27
Consumer Non-Cyclical	55	54	67	78	\$70	\$75	\$126	\$288	\$268	\$357	\$363	\$737
Industrial	16	21	11	16	\$20	\$26	\$22	\$30	\$75	\$110	\$127	\$87
Technology	25	28	37	30	\$41	\$98	\$90	\$195	\$173	\$507	\$347	\$1,250
Consumer Cyclical	22	30	35	18	\$21	\$61	\$77	\$93	\$138	\$849	\$522	\$579
Communications	27	20	20	13	\$54	\$45	\$46	\$45	\$314	\$1,258	\$77	\$95
Energy	8	7	14	6	\$6	\$5	\$13	\$4	\$41	\$34	\$53	\$17
Basic Materials	5	4	5	7	\$3	\$2	\$2	\$32	\$20	\$13	\$8	\$55
Utilities	3	2	0	1	\$3	\$2	\$0	\$0	\$20	\$42	\$0	\$14
Unknown/Unclassified	9	16	13	15	\$1	\$0	\$0	\$0	\$2	\$0	\$1	\$0
Total	199	209	221	201	\$250	\$369	\$429	\$694	\$1,243	\$3,432	\$1,639	\$2,862

Note: Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this figure may not match other total counts listed in the report. This figure presents combined core federal and state data. It does not present M&A lawsuits. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure's filing counts and index totals may not match those in Figures 4–6, 11, 13–16, and 19–22, or Appendices 2–4 and 6–8. Sectors are based on the Bloomberg Industry Classification System. The MDL/DDL numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. Figures may not sum due to rounding.

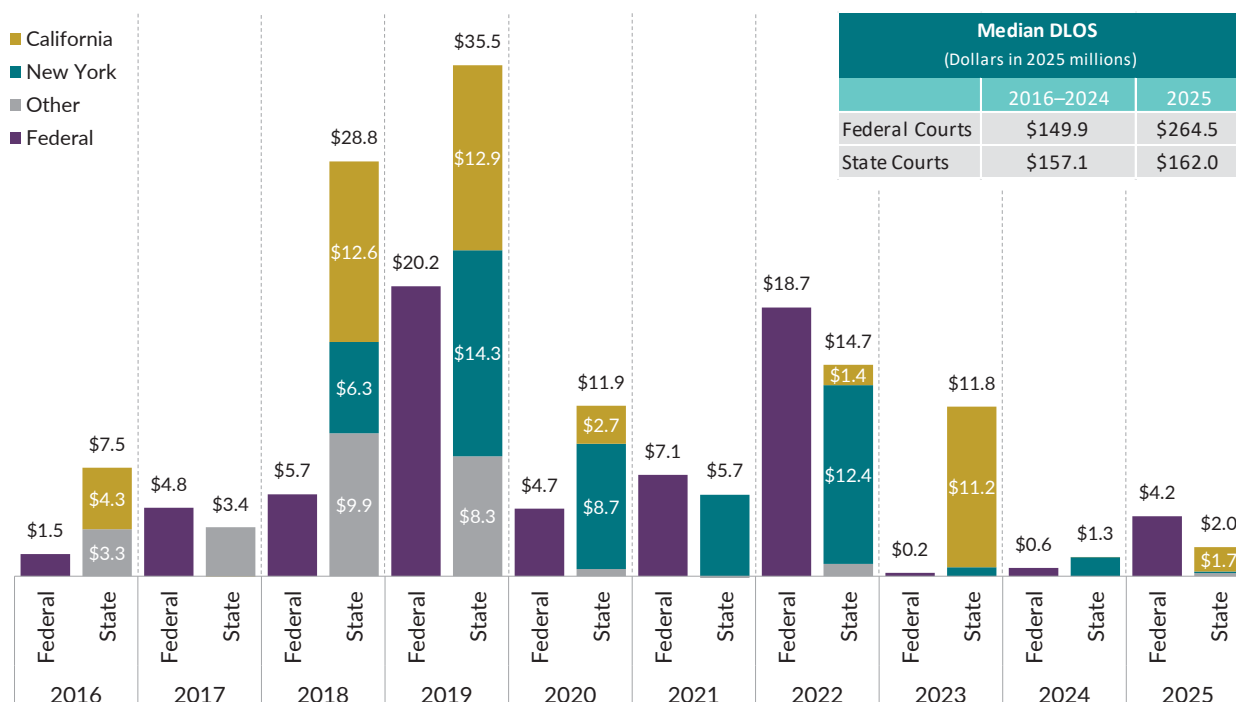
Appendix 6: Filings by Circuit—Core Federal Filings

(Dollars in 2025 billions)

Circuit	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2024	2023	2024	2025	Average 1997–2024	2023	2024	2025	Average 1997–2024	2023	2024	2025
1st	8	6	9	4	\$10	\$6	\$9	\$1	\$32	\$22	\$38	\$6
2nd	56	49	64	63	\$71	\$107	\$88	\$254	\$385	\$505	\$469	\$496
3rd	18	36	19	26	\$30	\$33	\$34	\$61	\$127	\$406	\$120	\$202
4th	6	7	10	10	\$4	\$7	\$9	\$8	\$23	\$18	\$107	\$19
5th	11	7	11	12	\$11	\$2	\$17	\$73	\$63	\$51	\$65	\$497
6th	8	9	9	5	\$11	\$10	\$16	\$4	\$45	\$129	\$41	\$19
7th	8	6	9	9	\$12	\$9	\$14	\$54	\$48	\$42	\$45	\$158
8th	5	2	3	1	\$6	\$30	\$26	\$1	\$23	\$67	\$61	\$4
9th	51	66	69	48	\$79	\$117	\$196	\$179	\$415	\$1,905	\$620	\$1,310
10th	6	4	7	6	\$4	\$6	\$2	\$12	\$21	\$25	\$20	\$21
11th	13	12	7	13	\$8	\$9	\$16	\$46	\$39	\$150	\$48	\$117
D.C.	1	1	0	0	\$3	\$16	\$0	\$0	\$10	\$54	\$0	\$0
Total	190	205	217	197	\$248	\$352	\$426	\$694	\$1,230	\$3,374	\$1,633	\$2,848

Note: This analysis only considers federal filings. It does not present combined federal and state data, and filings are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing date is reflected in the analysis. As a result, counts and index totals in this analysis may not match Figures 1–3, 7–10, 12, and 17, or Appendices 1, 5, 7, and 8. The MDL/DDL numbers shown in this figure have been inflation-adjusted to 2025 dollars and will not match prior reports. Figures may not sum due to rounding.

Appendix 7: Dollar Loss on Offered Shares™ (DLOS Index™) in Federal Section 11–Only and State 1933 Act Filings (Dollars in 2025 billions)

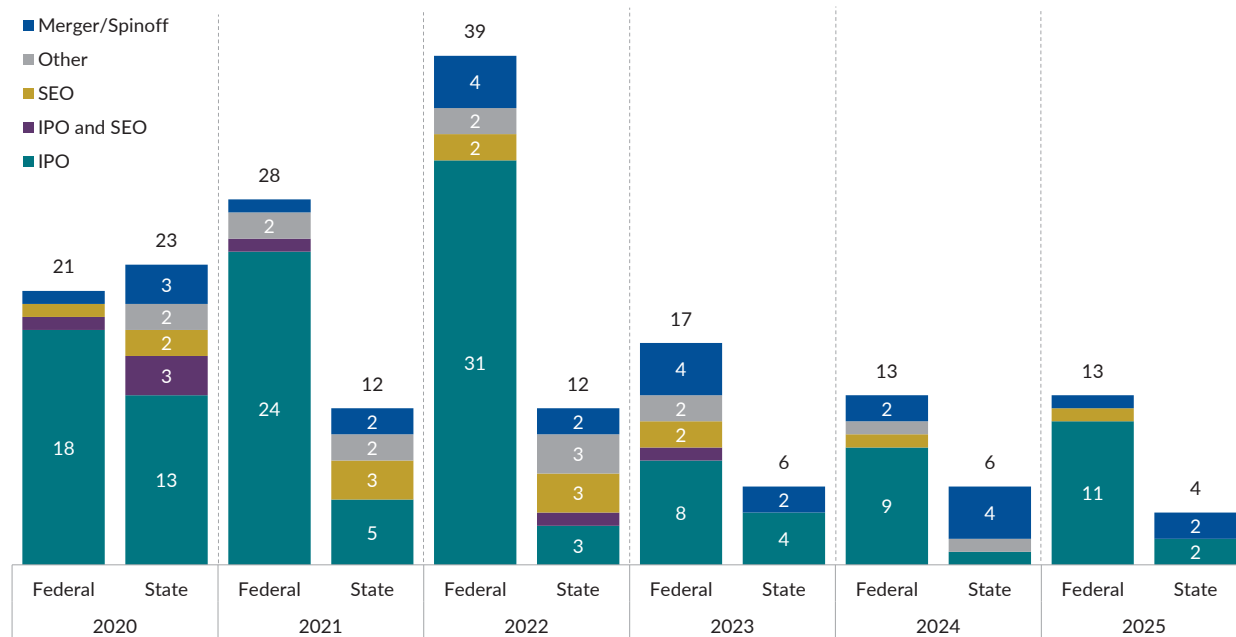


Source: Cornerstone Research, Stanford Law School Securities Class Action Clearinghouse, and Stanford Securities Litigation Analytics; Bloomberg Law; ISS' SCAS; CRSP; SEC EDGAR

Note:

1. Federal filings included in this analysis must contain a Section 11 claim and may contain a Section 12 claim, but do not contain Section 10(b) claims. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.
2. Starting with Cornerstone Research's *Securities Class Action Filings—2021 Year in Review*, the DLOS methodology has been changed from using the difference between the offering price of the shares and their closing price on the day of the first identified complaint's first alleged corrective disclosure (if none were mentioned, the price the day after the complaint filing day was used instead), to using the difference between the offering price of the shares and their closing price on the filing date of the first identified complaint.

Appendix 8: Type of Security Issuance Underlying Federal Section 11 and State 1933 Act Filings



Note: The counts shown in this figure are calculated separately for federal and state filings. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis.

Research Sample

Data from the Securities Class Action Clearinghouse, which is cosponsored by Cornerstone Research and Stanford Law School, has been supplemented with data from Stanford Securities Litigation Analytics to identify 7,065 federal securities class action filings between January 1, 1996, and December 31, 2025 (securities.stanford.edu and sla.law.stanford.edu/). The analysis in this report is based on data identified as of January 9, 2026.

The sample used in this report includes federal filings that typically allege violations of Sections 11 or 12 of the Securities Act of 1933, or Sections 10(b) or 14(a) of the Securities Exchange Act of 1934.

The sample is referred to as the “classic filings” sample and excludes IPO allocation, analyst, and mutual fund filings (313, 68, and 25 filings, respectively).

Multiple filings related to the same allegations against the same defendant(s) are consolidated in the database through a unique record indexed to the first identified complaint.

In addition to federal filings, class actions filed in state courts since January 1, 2010, alleging violations of the Securities Act of 1933 are also separately tracked.

This research has identified 231 class action filings in state courts from January 1, 2010, to December 31, 2025.



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The authors request that you reference Cornerstone Research in any reprint of the information or figures included in this report.

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