

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

IN RE: \*

MUNICIPAL MORTGAGE & \* MDL 08-MD-1961  
EQUITY, LLC, SECURITIES AND  
DERIVATIVE LITIGATION \* ALL DERIVATIVE SUITS

\* \* \* \* \*

MEMORANDUM AND ORDER RE: CONSOLIDATION AND LEAD COUNSEL

The instant matter, entitled "Municipal Mortgage & Equity, LLC, Securities and Derivative Litigation," includes five class actions and five derivative suits, filed in the District of Maryland and the Southern District of New York. On August 13, 2008, the MDL Panel transferred all cases pending in the Southern District of New York to this Court for "coordinated or consolidated pretrial proceedings." See In re: Mun. Mortgage & Equity, LLC, Sec. and Derivative Litig., MDL No. 1961, Transfer Order.

In the Derivative Suits, the Court has before it:

1. Unopposed Motion of Plaintiffs William Johnston, Robert Staub and the Mary L. Keiser Trust for Consolidation and for Approval of Leadership Structure [Document 6 of MJG-08-670].
2. Plaintiff Darold Harris's Cross-Motion for Appointment of Lead Plaintiff and Lead and Liaison Counsel and in Opposition to the Unopposed Motion of Plaintiffs William Johnston, Robert Staub and the Mary L. Kieser Trust for Consolidation and for Approval of Leadership Structure [Document 9 of MJG-08-670]

I. BACKGROUND

Defendant Municipal Mortgage and Equity, LLC ("MuniMae") is a publicly traded Delaware Corporation headquartered in Baltimore, Maryland, in the business of financing real estate and alternative energy projects. It suffices, for present purposes, to state simply that in the instant Derivative Suits, Plaintiffs contend that the prices of MuniMae shares were artificially inflated by virtue of alleged false and misleading statements by MuniMae, that between January 28 and 30,<sup>1</sup> following certain disclosures relating to these allegedly false and misleading statements, the MuniMae stock price dropped from \$17.20 to \$7.13 per share, and that there were further actions and omissions by the various defendants that give rise to liability.

II. CONSOLIDATION AND COORDINATION

There is little need for discussion regarding the matter of consolidation. Consolidation is proper when actions involve common questions of law or fact. Fed. R. Civ. P. 42(a). The Derivative Suits appear to be essentially identical.

In addition to the Derivative Suits, the instant matter includes five Class Actions that include (but are not limited to)

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<sup>1</sup> Unless otherwise noted, all dates refer to the year 2008.

matters that are also present in the Derivative Suits. The Court will coordinate management of the Class Actions and the Derivative Suits in a manner that will avoid or minimize duplicative proceedings.

Accordingly, the Court will consolidate the Derivative Suits and will coordinate the consolidated Derivative Suits proceedings with the Class Action Suit proceedings.

### III. LEAD DERIVATIVE SUIT COUNSEL

Counsel in the Derivative Suits have submitted a Stipulation and Proposed Order Appointing Case management Structure [Document 6]. Furthermore, Plaintiffs in the Harris and Greenberg cases have decided to dismiss their respective cases without prejudice.

The Court, having reviewed the Proposed Order, finds it appropriate to consolidate the pending Derivative Suits and to appoint Federman & Sherwood as lead Counsel and William B. Federman, Esquire, as liaison counsel vis-a-vis the Court. Defendants' counsel and counsel for plaintiffs in the Class Actions. The Court does not find it necessary, or appropriate, to appoint a separate law firm as Local Counsel. If Federman & Sherwood chooses, at its own expense, to retain local counsel, it may do so.

IV. CONCLUSION

For the foregoing reasons:

1. The Unopposed Motion of Plaintiffs William Johnston, Robert Staub and the Mary L. Keiser Trust for Consolidation and for Approval of Leadership Structure [Document 6 of MJG-08-670] is GRANTED IN PART.
2. Plaintiff Darold Harris's Cross-Motion for Appointment of Lead Plaintiff and Lead and Liaison Counsel and in Opposition to the Unopposed Motion of Plaintiffs William Johnston, Robert Staub and the Mary L. Kieser Trust for Consolidation and for Approval of Leadership Structure [Document 9 of MJG-08-670] is DENIED.
3. The Derivative Suits in the instant litigation are hereby consolidated.
4. The law firms of Federman & Sherwood shall serve as lead counsel, with William B. Federman, Esquire, serving as liaison counsel vis-a-vis the Court, Defendants' counsel and counsel for plaintiffs in the Class Actions.

SO ORDERED, on Wednesday, September 3, 2008.

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Marvin J. Garbis  
United States District Judge