

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Elaine E. Bucklo	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	09 C 1538	DATE	6/17/2009
CASE TITLE	Jones vs. Corus Bankshire		

DOCKET ENTRY TEXT

I appoint Johnson as lead plaintiff and approve his chosen class counsel and liaison counsel. Status hearing set for 6/12/09 is reset for 7/10/09 at 10:00 a.m.

■ [For further details see text below.]

Notices mailed by Judicial staff.

STATEMENT

Before me are competing motions for appointment as lead plaintiff of Todd L. Johnson ("Johnson") on the one hand, and Jo Ella Shaughnessy and Bill A. Swenson ("Shaughnessy/Swenson") on the other. Each putative lead plaintiff seeks to represent a class of individuals in an action alleging securities fraud against Corus.

Under the Private Securities Litigation Reform Act of 1995 ("PSLRA"), the party with the largest financial interest in the relief sought by the class is presumptively the lead plaintiff, assuming that that party otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure. *Craig v. Sears Roebuck & Co.*, 253 F.Supp.2d 1046, 1048 (N.D. Ill. 2003). The parties here agree that Johnson has the largest financial interest in the case, but Shaughnessy/Swenson argues that he cannot fairly and adequately represent the class because he serves as a Director of the Ninth District Federal Reserve in Minneapolis (the "Minneapolis Fed"). Shaughnessy/Swenson acknowledges that Corus is not located within the regional area of the Minneapolis Fed but asserts that Johnson "may" have conflicting interests with the class. Shaughnessy/Swenson argues that Johnson "influences federal policy governing banks, including Corus" because "regional participation and counsel mark the conduct of the [Federal Reserve] System's affairs, for which the Federal Reserve relies importantly on the contributions of the directors of the Federal Reserve Banks and Branches."

Shaughnessy/Swenson's argument is insufficient to rebut the presumption that

STATEMENT

Johnson should be lead plaintiff. Johnson states in the affidavit accompanying his memorandum in support of his motion that as Director of the Minneapolis Fed, he has not had, and does not anticipate having, any influence over Corus, nor does he have any non-public information regarding Corus. Shaughnessy/ Swenson does not dispute these facts. Moreover, I agree with Johnson that the only evidence Shaughnessy/Swenson cites actually shows that Johnson's position with the Minneapolis Fed is, at best, an advisory one with respect to policy that could influence banks outside of his region, and that he is not responsible for implementing monetary policy potentially affecting Corus. I conclude that the conflict of interest postulated by Shaughnessy/ Swenson is "too speculative and hypothetical" to rebut the presumption that Johnson should serve as lead plaintiff in this case.¹ See *In re Fannie Mae Securities Litigation*, 355 F.Supp.2d 261, 263 (D.D.C. 2005). Accordingly, I appoint Johnson as lead plaintiff and approve his chosen class counsel and liaison counsel.

1. Johnson also argues that Shaughnessy/Swenson is not qualified to serve as lead plaintiff. In light of the present ruling, I need not examine this argument.