

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF MINNESOTA

3 -----
4 In Re: CenturyLink Residential) File No. 17-MD-2795
5 Consumer Billing Disputes) (MJD/KMM)
6 Litigation)
7)
8)
9)
10)
11)
12)
13)
14)
15)
16)
17)
18)
19)
20)
21)
22)
23)
24)
25)

BEFORE THE HONORABLE MICHAEL J. DAVIS
UNITED STATES DISTRICT COURT JUDGE
(MOTIONS HEARING)

19 Court Reporter: STACI A. HEICHERT
20 RDR, CRR, CRC
21 1005 U.S. Courthouse
22 300 South Fourth Street
23 Minneapolis, Minnesota 55415

24 Proceedings recorded by mechanical stenography;
25 transcript produced by computer.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FEDERMAN & SHERWOOD
William Federman, ESQ.
10205 North Pennsylvania Ave.
Oklahoma City, OK 73120

For the Defendants:

WINTHROP & WEINSTINE PA
William McNab, ESQ.
225 South Sixth Street
Suite 3500
Minneapolis, MN 55402

COOLEY PA
Patrick Gibbs, ESQ.
3175 Hanover Street
Palo Alto, CA 94304

1 plaintiffs.

2 THE COURT: Good morning.

3 MR. FEDERMAN: Will Federman from Federman &
4 Sherwood on behalf of the movant, Inter-Marketing Group USA,
5 Inc.

6 THE COURT: All right. Good morning.

7 MR. FEDERMAN: Good morning, Your Honor.

8 THE COURTROOM DEPUTY: Judge, we have one more.

9 THE COURT: Oh.

10 MR. MCNAB: Bill McNab. Just noting my appearance
11 on behalf of defendant CenturyLink, Inc.; I don't think we
12 have an argument.

13 THE COURT: You don't have an argument but don't
14 sit back there. Come on and join, join the party.

15 THE COURTROOM DEPUTY: And we have someone on the
16 phone.

17 THE COURT: And who is on the line?

18 MR. O'MARA: Good morning, Your Honor. This is
19 Mark O'Mara on behalf of the consumer plaintiffs.

20 THE COURT: Good morning.

21 MS. FELDMAN: Good morning, Your Honor. This is
22 Lori Feldman, Geragos & Geragos, on behalf of the consumer
23 plaintiffs.

24 THE COURT: Good morning.

25 MR. GIBBS: Good morning, Your Honor. This is

1 Patrick Gibbs from Cooley on behalf of the defendants in the
2 securities case.

3 THE COURT: Good morning.

4 MR. BLEICHNER: Good morning, Your Honor. Bryan
5 Bleichner of Chesnut Cambronne.

6 THE COURT: Good morning.

7 MR. DUBANEVICH: Good morning, Your Honor. Keith
8 Dubanevich for the state of Oregon. I will not be speaking.
9 Fortunately my colleague Mr. Mueller is there.

10 THE COURT: Good morning. Anyone else?

11 All right. Are we ready to proceed with the
12 arguments?

13 MR. BLATCHLEY: Yes, Your Honor, if I may.

14 THE COURT: You may.

15 MR. BLATCHLEY: Good morning, again, Your Honor.
16 Michael Blatchley from Bernstein Litowitz on behalf of lead
17 plaintiff Oregon. Your Honor, I thought I would just ask
18 your permission just to address a couple of housekeeping
19 matters.

20 THE COURT: You may.

21 MR. BLATCHLEY: For the hearing today.

22 THE COURT: You may.

23 MR. BLATCHLEY: Just last week, lead plaintiff,
24 competing lead plaintiff, movant KBC Asset Management,
25 withdrew its appeal of the lead plaintiff order appointing

1 Oregon lead plaintiff in the Western District of Louisiana
2 over the previously consolidated securities class action.
3 With that withdrawal, Oregon is now the lead plaintiff over
4 the previously consolidated securities class action.

5 THE COURT: Correct.

6 MR. BLATCHLEY: So that motion is now resolved.

7 So that leaves us with the two pending motions
8 concerning the consolidation of the IMG case filed by the
9 lead plaintiff movant IMG over the claims of a subset of
10 CenturyLink investors, investors in the 7.6 percent notes,
11 as well as IMG's motion for lead plaintiff seeking to be the
12 lead plaintiff of that subset of CenturyLink investors.

13 And with Your Honor's permission, what I
14 think -- what I would like to do is to address the
15 consolidation issue first because I think that disposes of
16 their arguments concerning the lead plaintiff appointment
17 motion.

18 THE COURT: Correct.

19 MR. BLATCHLEY: Okay. So as Your Honor may
20 recall, this securities class action was triggered by
21 revelations that CenturyLink was improperly charging
22 customers for services they did not request, nor did they
23 authorize. The case was originally filed in June of 2017
24 after a whistle-blower, a former CenturyLink employee, filed
25 a complaint detailing these practices and explaining that

1 she was fired about a week after she reported the scheme to
2 the CEO, Glenn Post. There were two actions filed in the
3 Southern District of New York, one filed in the Western
4 District of Louisiana. Those cases eventually ended up in
5 the Western District of Louisiana.

6 Now, these cases are brought under the securities
7 laws, and since they are class action claims, they are
8 governed by the Private Securities Litigation Reform Act of
9 1995. Now, I know Your Honor's familiar with the statute,
10 but that statute provides a detailed procedure for the
11 appointment of a lead plaintiff and the leadership of
12 securities class actions.

13 Pursuant to that statute, the investor that
14 initiates the action is required to publish a notice
15 informing investors of the pendency of the action. That's
16 exactly what happened here. The investor that filed the
17 first action published a notice alerting investors in
18 CenturyLink securities of an August 21st deadline to seek
19 appointment as lead plaintiffs.

20 Following that additional notice and the filing of
21 two other complaints, there were a total of 12 notices, at
22 least a dozen that we identified, explaining to investors
23 that if you want to be the lead plaintiff in this case, you
24 have until August 21st to file a motion to be appointed lead
25 plaintiff. Again, 12 notices specifying all securities, not

1 just CenturyLink common stock, but all securities of
2 CenturyLink that were purchased during the class period.

3 So on August 21st, the statutory lead plaintiff
4 deadline, which is set by statute, because of the
5 publication I noticed, at least ten investors filed motions
6 seeking appointment over that case. Those motions were
7 contested. All of the investors who filed on that deadline
8 recognized that the class included the claims, not just of
9 common stock purchasers, but of bonds and notes as well.
10 Oregon, in its certification, which it's statutorily
11 required to submit in connection with the lead plaintiff
12 motion, included its investments in bonds that it had
13 purchased during the class period. It did not suffer any
14 losses on those investments and therefore, there would be no
15 reason to include them, other than the fact that we were
16 required to under the statute because the case included
17 claims on behalf of all securities. So we included that,
18 and those transactions were included in our application.

19 Our competing lead plaintiff movant KBC pointed
20 out in its papers that the class consisted of investors not
21 just in common stock but in bonds and notes as well. That
22 was apparent to all movants. The magistrate judge, in
23 appointing Oregon lead plaintiff, after a competed lead
24 process, acknowledged that in his order, recognizing that
25 the class did include the claims of common stock investors

1 as well as bond investors. So with that appointment, I know
2 we've had some briefing over that issue, but with that
3 appointment, that vested Oregon with the responsibility and
4 the ability to pursue the claims on behalf of all
5 CenturyLink investors during the class period.

6 Five days after that lead plaintiff order comes
7 out, IMG files a separate action in the Southern District of
8 New York, the cases are pending in Louisiana at this time, a
9 separate action pending in the Southern District of New York
10 asserting claims on behalf of a subset of CenturyLink
11 investors, just those investors that purchased the
12 7.6 percent notes.

13 Now, Your Honor, I know that you've seen this, but
14 I have copies for the Court if you'd like to review them,
15 but these are in the papers filed with the Court. This is a
16 redlined comparing that complaint that was filed with a
17 previously filed complaint that was consolidated by Judge
18 Perez-Montes. They're virtually identical. The only
19 differences are the crossing out of common stock and putting
20 CenturyLink, you know, senior note 7.6 percent senior notes.
21 The claims are identical.

22 And so what that IMG did after filing that
23 complaint was to publish a new notice to restart the lead
24 plaintiff process and to say this is our own case for
25 investors in these specific securities. That was improper.

1 We challenged that before Judge Kaplan. But, again, the
2 lead plaintiff deadline for their - their purportedly new
3 lead plaintiff deadline came and gone and IMG was the only
4 movant to move for lead plaintiff appointment. And here
5 they are, pressing to be appointed for the subset of
6 7.6 percent investors -- investors in 7.6 percent notes.
7 But they are not entitled to that. Oregon already has
8 appointed to -- as a lead plaintiff to purpose those claims.
9 And upon consolidation, that will be what will happen.
10 Their motion will be rendered moot.

11 And here, consolidation is manifestly appropriate.
12 The complaints, right here, are identical. Every question
13 of fact and law, virtually every question, is the same.
14 And, indeed, Oregon has already committed, as it is -- as it
15 is supposed to do as a responsible lead plaintiff, to
16 pursuing the claims of the 7.6 percent senior notes. It has
17 identified a named plaintiff that will be included in a
18 consolidated complaint that will assert those claims. This
19 is what is called for by district courts that have looked at
20 the PSLRA.

21 There's the Court in the *Global Crossing* case,
22 which we cited to Your Honor, which says it's the
23 responsibility -- the lead plaintiffs have a responsibility
24 to identify and include named plaintiffs who have standing
25 to represent the various potential subclasses of plaintiff

1 who may be determined at the class certification stage to
2 have distinct interests or claims. That's what Oregon has
3 done. Oregon will file a consolidated complaint that will
4 include the claims of the 7.6 percent notes.

5 It would make no sense for Your Honor to deny
6 consolidation. If that were to happen, what you would have
7 is two identical cases asserting the identical claims for
8 the identical misconduct during the identical class period
9 on behalf of the identical sets of investors. If you deny
10 consolidation, you're going to have problems with
11 inconsistent rulings and judgments and duplicative
12 litigation that would be entirely inefficient. There is no
13 reason to deny consolidation. Th action should be
14 consolidated and the lead plaintiff motion by IMG should be
15 denied.

16 There's two arguments that I just want to briefly
17 address that IMG makes in support -- against consolidation.
18 One is that Oregon lacks standing to pursue these claims.
19 Again, standing is not relevant under the lead plaintiff
20 analysis, one; and two, we have already identified a named
21 plaintiff with standing to assert these claims. They will
22 be protected, and they will move forward once that
23 consolidated complaint is filed.

24 Second, IMG makes arguments about how we're
25 somehow disinclined or we have conflicts of interest in

1 pursuing such claims. Again, we don't. We are committed,
2 as we've told the Court, of pursuing those claims. And this
3 is not a situation which there is a limited fund or some
4 ability to pay issue where we're going to -- there's a
5 possibility where you could trade one claim off the other.
6 The claims and the damages and the recovery in this case are
7 going to be shown and proven by evidence and what the
8 evidence shows how much each class was harmed or how much
9 each set of investors was harmed.

10 So, Your Honor, unless you have any other
11 questions, I think consolidation is manifestly appropriate
12 here and there's no reason to decide denying consolidation.

13 Turning to the request to be appointed lead
14 plaintiff of a subset of investors in CenturyLink bonds, we
15 think the consolidation decision resolves that motion, but
16 it can also be denied for three independent reasons. First,
17 IMG's motion is inexcusably late. As I mentioned, there
18 were 12 notices that went out to investors alerting them
19 that investors in all CenturyLink securities had until
20 August 21st to file lead plaintiff motion. Those deadlines
21 are rigorously enforced by the courts. IMG did not file its
22 motion by the lead plaintiff deadline and its application is
23 late and cannot be considered.

24 Second, IMG has a de minimus financial interest in
25 the claims at issue. If we were going to consider that

1 motion, which I don't think Your Honor should because it's
2 untimely and improper, IMG asserts losses of about \$7,000.
3 That's compared to Oregon's loss of over six million. It's
4 apples and oranges. Even in the prior decision appointing
5 Oregon lead plaintiff, the Court noted that other movants
6 had relatively small investment losses that were far larger
7 than IMG's here. There is no reason to appoint them as a
8 lead plaintiff for these claims.

9 And at bottom, Your Honor, I think what this comes
10 down to is the reason of the -- the purpose of the PSLRA was
11 intended to minimize litigation. What you have here is an
12 attempt by an investor with a de minimus financial interest
13 in the claims at issue trying to sidestep the process called
14 for by the PSLRA to have an honest and transparent
15 comparison of the movant's financial interests. There is no
16 reason to entertain that request. The case will be ably
17 prosecuted in Oregon's hands. All investors who are
18 impacted by this fraud will be protected. And Oregon's
19 committed to ensuring that they get their day in court.
20 Unless Your Honor has any questions.

21 THE COURT: Thank you.

22 MR. FEDERMAN: Good morning, Your Honor.

23 THE COURT: Good morning.

24 MR. FEDERMAN: Unless you have questions from the
25 get-go, I'd like to just present introductory comments to

1 set up the gist of the argument. Is that okay?

2 THE COURT: Yes. Fine with me.

3 MR. FEDERMAN: Thank you, Your Honor. We start,
4 and I think everyone agrees, the PSLRA, Private Securities
5 Litigation Reform Act, since 1995 has had strict dictates of
6 what needs to be done and when. Oregon is using the PSLRA
7 as both a sword and a shield. It's picking and choosing
8 what it wants to apply. And on that analysis, IMG,
9 Inter-Marketing Group, Inc., I'll refer to it as IMG, is the
10 only bondholder to file an action. It's the only one. We
11 have the mystery client who even in front of you today, Your
12 Honor, Oregon won't identify who that person or company is,
13 who is the bondholder. They criticize IMG for having the
14 \$7,145 loss. Their client may have less. Their client may
15 have sold before the end of the class period. Their client,
16 similar to Oregon, may have no standing. The PSLRA was for
17 transparency, and you don't have it here.

18 Oregon clearly is not a class member of a bond
19 class. It's simply not. The process under the PSLRA needs
20 to be followed, and it's a concession by Oregon in its
21 letter of May 3rd to the Court that it has already
22 identified an investor with standing to assert claims on
23 behalf of the bondholders. That's a concession they don't
24 have standing, and I'll get into the Western District of
25 Louisiana order in a minute.

1 Following Justice Brandeis' often quoted comment
2 that sunlight is the best of the disinfectants, why don't we
3 know who this mystery client is of theirs? If any of these
4 three law firms have to be here today, one of them stand up,
5 tell us who the client is, what their losses are, when they
6 bought, why they didn't file a certificate of investor
7 timely, the way the PSLRA dictates. They're playing
8 hide-and-seek with this Court, Your Honor, and it's not
9 proper.

10 Now, getting into the gist of my arguments here,
11 if you look at the complaints that were filed, the initial
12 complaints, not one of them mentions bond holders. If you
13 look at the notice that Oregon is trying to bootstrap off of
14 to be lead counsel filed by the Pomerantz Law Firm and they
15 attach it to their pleadings, it refers simply to
16 securities, but the specific reference in the notice to the
17 public that's required on the PSLRA says, On this news,
18 CenturyLink's share price fell \$1.23, or 4.56 percent, to
19 close at 25.72 on June 16th. The share price fell. Doesn't
20 say anything about bonds. If you look at the underlying
21 complaint, doesn't say anything about bonds. The only PSLRA
22 notice for bonds was IMG's. The only complaint for bonds is
23 IMG.

24 Oregon makes short shrift of this, saying
25 everybody knows it includes everything. Oregon is tied to

1 the pleadings and what was filed, not what they wanted to
2 have filed. Oregon never issued a PSLRA notice to the
3 public. It never filed a complaint. It's trying to
4 continuously bootstrap to this court.

5 And if you compare, Your Honor, the complaint that
6 was filed by Pomerantz which leads to the statement of the
7 share price and compare that, Your Honor, to the complaint
8 filed by IMG and look at IMG's complaint at paragraph 7,
9 paragraph 83, it's a completely different price movement.
10 It's a different percent, a different dollar amount because
11 these are different securities. It's not merely different
12 securities. You're dealing with bonds and equity, notes and
13 shares. And I'll get into that in a minute of why that is
14 so important in this case. Normally you would have the
15 bondholder and the equity holder working together. Here,
16 Oregon apparently has chosen not to do that in a cooperative
17 fashion, again, relying on this mystery investor who lost
18 money.

19 There isn't enough to look at -- well, if you look
20 at the complaints and you run through them, they're
21 different class periods currently for the shareholders and
22 the bond holders. The shareholders have multiple
23 disclosures of the negative consequence, the bondholder only
24 has one, and it's on a different day. The IMG complaint has
25 a bond -- excuse me, has a class period that ends on

1 June 15th. The Craig complaint, the lead case in the
2 consolidated equity, has a class period that concludes on
3 June 16th. IMG's, the bondholders, it -- the class period
4 concludes or ends on June 19th. The reason is the bonds
5 react differently to news than equity, than shares. They're
6 different cases.

7 There was no notice to the bond holders that they
8 should be on notice until IMG took action. Oregon could
9 have filed a complaint on behalf of bond holders. It chose
10 not to. And we don't need to discuss the Article III
11 standing, which it fails on. We don't need to discuss the
12 PSLRA standing, which it fails on, because the order entered
13 by Judge Perez -- excuse me, Perez-Montes, my apologies, is
14 very specific of what he holds. On page 2, the judge cites
15 to the Craig complaint and refers to the action was filed on
16 behalf of all investors who purchased or otherwise acquired
17 CenturyLink common stock between March 1, 2013, and June 16,
18 2017.

19 I challenge Oregon to point out anywhere in this
20 order, anywhere, where Judge Perez-Montes said Oregon, you
21 are appointed over the bond holders. And the reason we
22 don't have that anywhere here is because no one moved to be
23 lead for the bond holders. No one filed suit for the bond
24 holders.

25 You go to page 11 of the Western District of

1 Louisiana's order, and it says, Oregon's claim for losses on
2 common stocks. They have no losses. They had a gain on the
3 bonds. And that excludes Oregon from being a lead plaintiff
4 or a class rep over the bonds. And as we sit here today, as
5 I said, this order of the Court is not nearly as broad as
6 what Oregon would like this Court to believe. And they,
7 Oregon, never had a loss on that.

8 If you start the inquiry of what are the
9 differences in the case, and this is very important, Your
10 Honor, and I mention the bond versus equity holders.
11 There's the market efficiency inquiry here that's going to
12 have to be confronted. Somebody's going to have to move for
13 class cert. Oregon, as you sit here today, has no one in
14 that position, other than somewhere out there, there is the
15 possibility they may have somebody with one cent of loss.
16 We don't know, and they won't disclose it to you.

17 The market efficiency inquiry, which we cite in
18 our brief, page 13 of 14, and the cases that go with it,
19 *Dynex* out of New York, *Ames Department Stores* from the
20 Second Circuit make clear the differences in the equity and
21 the bond cases. Normally you would have them combined in
22 the underlying pleadings. Here, nobody did that. They're
23 separate actions.

24 Counsel said there's a possibility of inconsistent
25 rulings before different judges. Well, that's not going to

1 happen. The whole case is in the MDL in front of you, Your
2 Honor. We're all here. You're ruling on all the cases. If
3 there's consolidation, that's fine. But we're in an MDL
4 proceeding here. We're on a parallel track. You could
5 merge the cases without consolidating them. We could work
6 cooperatively with Oregon and maybe only have two lawyers at
7 the table rather than three lawyers.

8 There's no need to appoint an unknown person, an
9 unknown entity, as a colead here. There just isn't. You
10 have in front of you Inter-Marketing Group who is willing to
11 serve as a lead plaintiff of the bond holders, has
12 complained with the PSLRA, filing within 60 days of the
13 first complaint mentioning bonds to be lead plaintiff.
14 Oregon could have filed within 60 days. It chose not to.
15 Their mystery client could have chosen to file for lead in
16 the bond case within 60 days. It chose not to.

17 So the arguments that Oregon wants to make about
18 the failings of IMG work the same for them. The cases have
19 been MDL'ed. They're all in front of you. All discovery
20 will be in front of you. There's -- the only difference
21 here is who will be leading the charge and do you have a
22 client with standing. IMG has a client with standing. My
23 firm has been lead counsel in dozens of securities class
24 actions. We've been lead or colead counsel in MDL complex
25 litigation. I know these firms very well. I've worked with

1 all of these firms on other cases.

2 The real issue comes down to the strict dictates
3 of the PSLRA. Oregon simply did not comply, despite having
4 notice of a bond case out there. Their motion to intervene
5 in New York was not within the 60-day parameter, they missed
6 that, and they chose to proceed with having a strategy of
7 not having a bondholder in the bond case. Now they're
8 trying to bootstrap and come in through the back door with
9 an undisclosed potential plaintiff that we have no idea who
10 they are, where they are, whether they're available to the
11 Court, whether they comply with the PSLRA. That's not the
12 way the PSLRA is supposed to be.

13 And there's enough difference between the movement
14 in the bond price and the movement in the common stock, the
15 class periods as alleged in the complaints, to warrant this
16 Court, if it deems consolidation necessary on top of the
17 MDL, to bring it all together and we're on the same track
18 and I work cooperatively. It could also be a subclass of
19 the main class. There are many efficient ways this Court
20 can proceed while still protecting the bondholder with an
21 actual client with standing, both Article III and under the
22 PSLRA. As we sit here today, Oregon doesn't fill that for
23 you, Your Honor. Do you have any questions for me?

24 THE COURT: No. I'm assuming that the mysterious
25 bondholder is not Sean Hannity, so.

1 MR. BLATCHLEY: Your Honor, no, it's not Sean
2 Hannity.

3 THE COURT: Nothing further, sir.

4 MR. FEDERMAN: Do you have any questions, though?

5 THE COURT: No.

6 MR. FEDERMAN: Thank you.

7 MR. BLATCHLEY: Your Honor, if I may.

8 THE COURT: You may.

9 MR. BLATCHLEY: Mike Blatchley, again, from
10 Bernstein Litowitz Berger & Grossman on behalf of Oregon. I
11 just wanted to quickly respond to a couple of things my
12 colleague said. I think the primary thrust of his argument
13 was why didn't we file and reveal this investor that has the
14 bond claims and that will be included in the consolidated
15 complaint that Oregon intends to file. Your Honor, simply,
16 the answer is, there's no requirement to and it would be
17 inappropriate to do so.

18 The process that the courts have approved under
19 the PSLRA is set forth in *Global Crossing*. The investor
20 that will serve as a named plaintiff in the consolidated
21 complaint is not seeking to be lead plaintiff. That -- to
22 be a lead plaintiff, you have to go through the test of
23 having the largest financial interest and doing the
24 preliminary inquiry that the Court conducts concerning
25 adequacy and typicality. That is not what happens with a

1 named plaintiff that is included in the consolidated
2 complaint.

3 That's -- once you have a lead plaintiff, as you
4 have Oregon here, it's Oregon's responsibility to identify
5 individuals to serve in that role with standing to assert
6 those claims and then it is defendant's job to challenge
7 those investors, to make sure that they have standing and
8 have suffered losses. That's the procedure that courts in
9 the *Bank of New York* case and in *Northwestern* case in the
10 Eighth Circuit have approved in terms of prosecuting
11 securities class actions.

12 But I did want to make sure that the Court wasn't
13 concerned about Mr. Federman's statements. The individual
14 that has agreed to work under Oregon's leadership in the
15 consolidated complaint, his name is Fernando Vildosola.
16 He's a resident of California. He has losses around the
17 \$7,000 range. He purchased his securities during the class
18 period and suffered losses when those prices declined
19 following the revelation of the misconduct at issue in this
20 case. But, again, that's just, that's not the test at this
21 stage. What we're talking about here is consolidation and
22 whether consolidation is appropriate, and once you determine
23 that it is, that disposes of their lead plaintiff motion --
24 of the IMG's lead plaintiff motion.

25 And I think it's helpful to appreciate that, you

1 know, Mr. Federman said that IMG was out there protecting
2 the class and the only one who asserted a claim on behalf of
3 these investors. He filed the complaint five days after
4 Oregon was appointed lead plaintiff to pursue those claims.
5 Had he filed the complaint, had IMG filed its complaint
6 earlier, it would have been consolidated, and then you would
7 have gone through the financial interest analysis and you
8 would have compared Oregon's losses of six million against
9 the \$7,000 claimed by IMG and, Oregon, would, again, still
10 be the appointed lead plaintiff over the consolidated
11 action.

12 The differences between the bonds and stocks that
13 Mr. Federman alluded to, courts have considered this
14 argument and almost uniformly rejected it. They recognize
15 that there are differences, but that is no reason to install
16 separate leadership and separate counsel who will probably
17 want to question the same witnesses during depositions. It
18 just leads to inefficiency and, you know, just a management
19 mess that the PSLRA was specifically designed to avoid.

20 The PSLRA wanted to put the control of securities
21 class actions in the hands of sophisticated institutional
22 investors like Oregon which fulfill the PSLRA's mandate for
23 you to deny consolidation and deny the lead plaintiff motion
24 by the IMG movant and allow Oregon to move forward and
25 prosecute this case. Unless Your Honor has any questions.

1 THE COURT: Thank you.

2 MR. BLATCHLEY: Thank you.

3 THE COURT: All right. The Court is going to make
4 a preliminary ruling, and my order will be out shortly,
5 within hopefully a week, but I'm going to give you a preview
6 of what I'm going to rule. The Court grants Oregon's motion
7 to consolidate, and I will deny IMG's motion for appointment
8 as lead counsel. The Court is going to consolidate all the
9 current pending CenturyLink security cases and permit Oregon
10 to continue as lead counsel in those consolidated cases.

11 Now, that's the preliminary ruling and so you can
12 start moving on the Rule 26(f) conference. Therefore,
13 Oregon is to meet with defendants and have your meet and
14 confer conference and come up with a draft case management
15 order for the Court which shall include a proposed deadline
16 for filing a consolidating complaint and for the parties'
17 Rule 26(f) conference. The proposed case management order
18 must be submitted within three weeks of the Court's ruling,
19 that's the signed order that I will be docketing shortly,
20 within a week's time.

21 The Court also directs lead counsel to meet and
22 confer with the leadership counsel for plaintiffs and
23 defendants in the CenturyLink sales cases to -- for the
24 purpose to propose a date for the next joint status
25 conference. So we're moving right along here, counsel.

1 Anything further?

2 If not, we will adjourn. And hopefully the next
3 time I see you we'll be in the 60-degree weather range.

4 Thank you.

5 MR. BLATCHLEY: Thank you, Your Honor.

6 MR. FEDERMAN: Thank you.

7 (Proceedings concluded at 11:41 a.m.)

8

9

* * *

10

11

12 I, Staci A. Heichert, certify that the foregoing is
13 a correct transcript from the record of proceedings in the
14 above-entitled matter.

15

16 Certified by: s/ Staci A. Heichert

17

Staci A. Heichert,
RDR, CRR, CRC

18

19

20

21

22

23

24

25