SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

REED SMITH LLP, Plaintiff, v. ETHAN D. WOHL and WOHL & FRUCHTER LLP, Defendants.	Index No. _____ **SUMMONS** Index No. Purchased _____ Plaintiff designates New York County as the place of trial. Venue is proper pursuant to CPLR § 503

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer on Plaintiff's attorneys within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after the service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
June 19, 2017

KASOWITZ BENSON TORRES LLP

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TO:

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

REED SMITH LLP, Plaintiff, v. ETHAN D. WOHL and WOHL & FRUCHTER LLP, Defendants.	Index No. _____ **COMPLAINT** JURY TRIAL DEMANDED

Plaintiff REED SMITH LLP ("Reed Smith"), for its complaint against defendants ETHAN D. WOHL ("Wohl") and WOHL & FRUCHTER LLP ("Wohl & Fruchter"), alleges as follows:

PRELIMINARY STATEMENT

1. This action arises from the unjustified interference by attorney Wohl and his firm, Wohl & Fruchter, with an engagement agreement between Reed Smith, a well-known international law firm, and lead plaintiffs in the class action captioned *Kaplan, et al. v. SAC Capital Advisors, L.P., et al.*, 12 Civ. 9350 (S.D.N.Y.) (the "SAC Action"). Defendants did so in order to keep for themselves the attorneys' fees in the SAC Action that should have otherwise been paid to Reed Smith.

2. The Reed Smith engagement was negotiated and encouraged by Defendants themselves, who realized that they – a four-attorney firm – were overmatched by the resources available to the SAC Action defendants (represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), a 900-attorney firm, Willkie Farr & Gallagher LLP, a 650-attorney firm, Goodwin Proctor LLP, a 1000-attorney firm, and Bracewell LLP, a 470-attorney

firm). Defendants realized that they would be unable to adequately represent the class at trial – or extract a meaningful settlement of the SAC Action – without significant additional strategic, financial, and attorney resources.

3. Accordingly, when Defendants' prior co-counsel (from a 700-attorney firm) withdrew approximately four months before the scheduled trial date in the SAC Action, and with Defendants' strong and enthusiastic support, Reed Smith was retained as co-counsel and lead trial counsel to the class by the lead plaintiffs in the SAC Action, pursuant to a fully executed engagement agreement, dated September 16, 2016 (the "Engagement Agreement").

4. Among other things, the Engagement Agreement provides for a specific award of attorneys' fees to Reed Smith through both reimbursement of amounts advanced and a sliding percentage of any recovery to the class before, during, or after trial. Additionally, the Engagement Agreement states:

> You [the lead plaintiffs] also understand and agree that, while you can terminate our engagement at any time, the contingent fees provided for herein are intended to compensate Reed Smith for the work that it performs without current payment, and the risk that it bears of non-recovery in respect of that work. Thus, if you terminate Reed Smith's engagement for any reason other than good cause, Reed Smith will continue to be entitled to the contingent fees provided for herein, even if you retain other counsel to represent you, provided, however, that contingent fees payable in such circumstance shall be subject to apportionment as determined by the Court. You further acknowledge and agree that such payment is a fair measure of recovery in quantum meruit for Reed Smith, and compensation to Reed Smith for other, full fee opportunities that it will be required to forego by virtue of taking on this representation, irrespective of when the retention might be so terminated.

5. Importantly, the Engagement Agreement provided for a specific sliding scale allocation of fees awarded as between Defendant Wohl & Fruchter and Reed Smith, based upon specific levels of payment from the SAC Action defendants, and stage of the case at which resolution occurred. The Engagement Agreement even included a table that delineated the

relative allocations between Defendant Wohl & Fruchter and Reed Smith depending on the outcome of the action. Thus, the allocation of fees among Defendant Wohl & Fruchter and Reed Smith upon resolution was clear.

6. Pursuant to the Engagement Agreement, Reed Smith immediately committed significant resources to the SAC Action once its representation commenced. Among other things, Reed Smith committed in writing to fund a pre-trial and trial budget of at least $1,000,000, and to provide all necessary staffing in the four months leading to trial. Reed Smith also expended substantial attorney hours assimilating the details and complexities of the SAC Action.

7. On September 19, 2016, four Reed Smith attorneys filed notices of appearance as counsel for the class in the SAC Action and, on September 21, 2016, Reed Smith appeared for the first time, along with Defendant Wohl, before Judge John Koeltl of the United States District Court for the Southern District of New York, the presiding judge in the SAC Action.

8. After Reed Smith filed its notices of appearance and commenced work, the SAC Action defendants learned that Reed Smith had been engaged as co-counsel with Defendants. The SAC Action defendants then immediately – within three business days – reached out to Defendants (but not surprisingly, not to Reed Smith, as Defendants had been the SAC Action defendants' sole point of contact throughout) to engage in settlement discussions. These settlement discussions had been stalled for many months, after failed efforts at mediation.

9. Thus, Reed Smith's appearance was the obvious catalyst for the settlement discussions, which proved to be successful. But Defendants quickly realized that if they could somehow eliminate Reed Smith prior to finalizing the settlement, they would be entitled to keep

millions of dollars more in attorneys' fees awarded in connection with settlement of the SAC Action (the "Settlement"), to which Reed Smith would otherwise have been entitled.

10. Accordingly, when Paul Weiss, counsel for the SAC Action defendants, mused about the possibility of certain alleged and wholly unsupported "conflicts" with respect to Reed Smith's engagement during the September 21 hearing before Judge Koeltl, Defendants saw the opportunity to eliminate Reed Smith, and pounced. Indeed, despite the total absence of any legitimate basis for the alleged "conflicts" – and Reed Smith's clear and thorough legal and factual analysis and explanation refuting the same the very next day – Defendants intentionally exploited Paul Weiss's statements in order to malign Reed Smith and to induce the lead plaintiffs to terminate the Engagement Agreement.

11. The lead plaintiffs did not communicate this to Reed Smith; rather, Defendants did. Indeed, notwithstanding that Defendants were not parties to the Engagement Agreement, Defendant Wohl called Reed Smith on September 23, 2016 and purported to "dismiss" Reed Smith over the phone. At all times thereafter, the Defendants deliberately blocked and excluded Reed Smith from any interactions with the lead plaintiffs or opposing counsel in the SAC Action.

12. Either immediately in advance of, or immediately following, Defendants' inducing the lead plaintiffs to sever ties with Reed Smith, Defendants had accepted the SAC Action defendants' offer – which offer was at the time wholly unknown to Reed Smith, as it was made directly to, and concealed from Reed Smith by, Defendant Wohl – to engage in settlement discussions. An offer made, of course, only after Reed Smith appeared in the case.

13. Defendants immediately undertook settlement talks with SAC's counsel and, within one week, Defendants signed a memorandum of understanding articulating the terms of the Settlement.

14. Despite the fact that Reed Smith was counsel of record to the lead plaintiffs, Defendants intentionally sought to hide the Settlement from Reed Smith until Reed Smith received a call from Judge Koeltl's Chambers on September 29, 2016 inquiring as to the "status" of the "settlement in principle" reached between the SAC Action defendants and Reed Smith's own clients.

15. Reed Smith immediately contacted Defendants to inform them of this call and to request details of the Settlement. During that call and in a series of subsequent communications – during which Defendant Wohl became increasingly aggressive and agitated – Defendants flatly refused to share either the memorandum of understanding or any details of the Settlement whatsoever with Reed Smith.

16. Reed Smith was excluded, stonewalled, and stymied by Defendants – first with respect to its clients (the lead plaintiffs); then with respect to negotiations with the SAC Action defendants; and finally with respect to any details of the Settlement itself. Reed Smith therefore was compelled to make a motion before Judge Koeltl to withdraw as counsel, since Defendants prevented Reed Smith from being able to properly represent the lead plaintiffs. Judge Koeltl granted this motion to withdraw in December 2016.

17. Judge Koeltl approved the Settlement in the SAC Action on May 12, 2017.

18. Defendants' egregious interference with Reed Smith's bargained-for contractual right to compensation under the express terms of the Engagement Agreement, so that Defendants could retain a greater share of attorneys' fees in connection with Settlement of the SAC Action, plainly harmed Reed Smith. Accordingly, Reed Smith brings this action to recover damages for the economic harm suffered as a result of Defendants' opportunistic misconduct.

PARTIES

19. Plaintiff Reed Smith is an international law firm with offices located throughout the world, including in New York, New York.

20. Defendant Wohl is an attorney who, upon information and belief, resides in New York. He leads the law firm Wohl & Fruchter LLP.

21. Defendant Wohl & Fruchter is a law firm based in New York, New York that employs approximately four attorneys.

JURISDICTION

22. This Court has personal jurisdiction over Defendants pursuant to CPLR § 301, as they are domiciled in New York State, or pursuant to CPLR § 302, inasmuch as the causes of action asserted herein arise from Defendants' (i) transacting business in New York State, (ii) having committed a tortious act within New York State, and/or (iii) having committed a tortious act without New York State causing injury to property within New York State.

23. Venue is proper pursuant to CPLR § 503, as one or more parties reside in New York County.

FACTS

The SAC Action

24. Defendants are counsel to a class of investors who purchased shares in a publicly traded company (the "Class").

25. In December 2012, Defendants filed a complaint in the United States District Court for the Southern District of New York against SAC Capital Advisors, L.P. and affiliates (collectively, "SAC") on behalf of the Class, contending SAC illegally traded shares of the public company based on insider information concerning the results of clinical trials of a drug that was being developed.

26. Defendants filed their second amended complaint against SAC on behalf of the Class in September 2014, alleging over $1 billion in damages, including prejudgment interest. The case was certified as a class action in December 2015, and in April 2016, the United States Court of Appeals for the Second Circuit denied SAC's motion for interlocutory appeal on class certification. Shortly thereafter, then-presiding District Court Judge Victor Marrero denied leave to file motions for partial summary judgment, and the SAC Action was calendared for trial in January 2017.

Defendants Seek Trial Counsel and the Plaintiffs Retain Reed Smith

27. Defendants – whose firm numbers four attorneys – realized it was imperative for them to obtain trial counsel who had the experience and resources, in terms of both personnel and financial resources, necessary to successfully prosecute complex claims against SAC and its counsel, including the 900-attorney strong Paul Weiss. Accordingly, in May and June 2016, Defendants solicited proposals from various large law firms, including Reed Smith and Quinn, Emanuel, Urquhart & Sullivan LLP ("Quinn Emanuel").

28. Defendants initially recommended that the Class engage Quinn Emanuel to represent them at trial of the SAC Action. Attorneys from Quinn Emanuel appeared on behalf of the class starting in June 2016.

29. Not long into Quinn Emanuel's appearance on behalf of the class, counsel for Mathew Martoma, one of the defendants in the SAC Action, raised a disabling conflict with respect to Quinn Emanuel's representation arising from the fact that Quinn Emanuel had previously prepared to represent Martoma in connection with a related criminal proceeding. During the course of these preparations, it was alleged, Quinn Emmanuel had obtained a great deal of privileged and confidential information from Martoma.

30. After attempting to resolve the issue directly with Quinn Emanuel, on September 12, 2016, Martoma's counsel wrote to Judge Koeltl to inform the court of this alleged conflict of interest. Approximately ten days later, Quinn Emanuel voluntarily withdrew as counsel for the Class.

31. With less than four months before the date scheduled for trial in the SAC Action, the overmatched Defendants eagerly turned to Reed Smith. Defendants needed Reed Smith's resources, both to bring the SAC Action to trial and to demonstrate to the SAC Action defendants that the Class would be adequately represented going forward.

32. Between September 13, 2016 and September 18, 2016, Defendants worked aggressively to effect the engagement of Reed Smith by the lead Class plaintiffs, including by helping to draft and negotiate the Engagement Agreement and pushing the lead Class plaintiffs to quickly retain Reed Smith so that the firm could appear in the case. Among other things, defendant Wohl told Reed Smith on Saturday, September 17, 2016 that he was "very much looking forward to getting refocused on the merits and driving the case forward with" Reed Smith. That same day, Wohl forwarded Reed Smith's Engagement Agreement (that he had negotiated) to the lead Class plaintiffs, stating that he "approved" of the Engagement Agreement and urging that Reed Smith be "engaged as soon as possible." By Monday, September 19, 2016, all of the lead Class plaintiffs had executed the Engagement Agreement.

33. As Defendants understood, at all times, the Engagement Agreement explicitly provides for compensation to Reed Smith, both for amounts advanced and for a share of any recovery obtained by the Class. Paragraph 3(B)(i) of the Engagement Agreement provides that "during the period through and including the day before the commencement of trial," Reed Smith is entitled to "(a) 5% of any recovery up to $150,000,000, plus (b) 20% of any recovery

between $150,000,000 and $375,000,000, plus (c) an additional amount sufficient to yield Reed Smith 50% of the total attorneys' fees awarded on any recovery in excess of $375,000,000 . . . ." (emphasis added).

34. Additionally, the Engagement Agreement states:

> You [the lead plaintiffs] also understand and agree that, while you can terminate our engagement at any time, the contingent fees provided for herein are intended to compensate Reed Smith for the work that it performs without current payment, and the risk that it bears of non-recovery in respect of that work. Thus, if you terminate Reed Smith's engagement for any reason other than good cause, Reed Smith will continue to be entitled to the contingent fees provided for herein, even if you retain other counsel to represent you, provided, however, that contingent fees payable in such circumstance shall be subject to apportionment as determined by the Court. You further acknowledge and agree that such payment is a fair measure of recovery in quantum meruit for Reed Smith, and compensation to Reed Smith for other, full fee opportunities that it will be required to forego by virtue of taking on this representation, irrespective of when the retention might be so terminated.

35. The relative allocations of fees awarded as between Defendant Wohl & Fruchter and Reed Smith were specifically delineated in the spreadsheet attached to the Engagement Agreement.

36. As new counsel for the lead Class plaintiffs, Reed Smith immediately expended significant financial and personnel resources to prepare for the impending trial. Reed Smith committed, in writing, to fund a pre-trial and trial budget of at least $1,000,000 in cash to be advanced over the four months leading to, and during, trial. Reed Smith assigned numerous attorneys and legal support professionals to the case, and performed substantial and complex work to begin to assimilate the details of the case in preparation for trial.

37. On September 19, 2016, four Reed Smith attorneys working on the matter filed notices of appearance as counsel for the class and, on September 21, 2016, Reed Smith appeared

with Defendants at a hearing before Judge Koeltl to formally introduce themselves to the court as co-counsel to the Class (the "September 21 hearing").

The Purported Reed Smith Conflicts

38. During the September 21 hearing, Paul Weiss, counsel for the SAC Action defendants, raised purported concerns with certain alleged "conflicts" that supposedly affected Reed Smith's ability to represent the Class. These assertions were entirely baseless but, having gotten rid of Quinn Emanuel by asserting alleged conflicts, Paul Weiss plainly thought a similar tactic was worth pursuing with respect to Reed Smith.

39. Both in court at the September 21 hearing, and in a series of detailed communications, with analysis, provided to Defendants later that day and the following day, Reed Smith demonstrated that none of the purported "conflicts" manufactured by counsel for the SAC Action defendants raised *any* legitimate concern, or had any bearing on Reed Smith's ability to represent the Class.

40. Defendants acknowledged Reed Smith's analysis and position with respect to these baseless conflicts as "strong." Nonetheless, without any further substantive discussion concerning the issue, Defendants purported to "dismiss" Reed Smith on behalf of the lead Class plaintiffs during a phone call from Defendant Wohl to Reed Smith on September 23, 2016, and a follow-up email on September 27, 2016.

41. Reed Smith only later learned that this purported "dismissal" occurred the day after the SAC Action defendants reached out to Defendants to discuss settlement which, in turn, took place three days after Reed Smith formally appeared in the case.

42. At all times after the "dismissal," Defendants deliberately blocked and excluded Reed Smith from any and all interactions with lead Class plaintiffs, as well as discussions, and

strategy decisions, regarding prosecution of the SAC Action and settlement negotiations with opposing counsel.

43. In fact, Defendants tightly controlled all communications with the lead Class plaintiffs even before Reed Smith's purported dismissal, and explicitly directed Reed Smith to communicate with the lead Class plaintiffs *only* through Defendant Wohl. Likewise, at all relevant times, Defendants have purported to speak for the lead Class plaintiffs and, thus, when Reed Smith raised questions concerning its purported "dismissal" – given that Defendants are not party to the Engagement Agreement – Defendant Wohl threatened to simply direct lead Class plaintiffs to send their own letter confirming the "termination" of Reed Smith.

Defendants Conceal Settlement Negotiations, and the Settlement Itself, from Reed Smith

44. Unbeknownst to Reed Smith at the time, Reed Smith's appearance as trial counsel for the Class in the SAC Action spurred the resumption of settlement discussions that had been stalled for many months. Indeed, the very next day after Reed Smith appeared on behalf of the Class, the SAC Action defendants reached out to Defendants to discuss settlement.

45. At no point, however, did Defendants inform Reed Smith – their co-counsel for the lead Class plaintiffs – of these discussions, and at no point did Defendants include Reed Smith in negotiations or analysis to ensure a settlement process and settlement fair and reasonable to the Class.

46. On the contrary, on September 29, 2016, Reed Smith received an unexpected call from Judge Koeltl's chambers inquiring as to the status of the settlement that the Class had reached with SAC. The call from the court to Reed Smith made perfect sense – after all, Reed Smith had appeared before the court just a few days earlier and been introduced as lead trial counsel to the Class by Defendants.

47. Consistent with its professional obligations, Reed Smith immediately contacted Defendants to inform them of the request from Judge Koeltl. Reed Smith then repeatedly sought from Defendants details of the proposed settlement that was the subject of Chambers' call, in an effort to ensure that the Settlement was not only adequate and fair, but in the best interest of the Class as a whole.

48. Despite Reed Smith's efforts, however, Defendants repeatedly and consistently refused to provide any information concerning the proposed settlement to Reed Smith. In fact, the first time Reed Smith learned the terms of the Settlement was on November 30, 2016, when Defendants filed their memorandum of law in support of preliminary approval of the Settlement.

49. Reed Smith was left with no choice but to seek leave from Judge Koeltl to withdraw as counsel, and filed a motion to withdraw on December 12, 2016. In its motion, Reed Smith briefly described the facts and circumstances necessitating its withdrawal, and explicitly reserved its right to enforce the terms of the Engagement Letter.

50. Defendants reacted negatively to Reed Smith's motion and, among other things, took the unethical step of directing one of the lead plaintiffs – David Kaplan – to threaten Reed Smith with a State Bar ethics complaint for purportedly engaging in an "effort to disrupt preliminary approval of" the Settlement.

51. Judge Koeltl granted Reed Smith's motion to withdraw at the December 16, 2016 preliminary approval hearing, where Judge Koeltl also preliminarily approved the Settlement, without objection or any opposition by Reed Smith, or any other party, and set the schedule for briefing on final approval, attorney fee applications, and the approval hearing date.

52. On March 2, 2017, Defendants notified Reed Smith, through Reed Smith's counsel, that they would not be making an application for attorneys' fees or reimbursement of

expenses on behalf of Reed Smith, in direct contravention of the terms Defendants knew Reed Smith's former clients agreed to when Wohl negotiated the Engagement Agreement. Wohl again attempted to justify his interference with the Engagement Agreement by re-raising the pretextual purported "conflicts" introduced by counsel for the SAC Action defendants during the September 21 hearing. As described above, however, these conflicts were nonexistent and it is thus indisputable that there was no "good cause" to terminate Reed Smith. It is equally clear that Reed Smith continues to be entitled to its bargained-for contingent fee, based on the amount of the Settlement, under the terms of the Engagement Agreement.

53. Defendants' March 2 notification was a transparent effort to conceal the true reasons why Reed Smith was compelled to withdraw. In that communication, Defendants continued to work to mask their own improprieties in having deliberately blocked Reed Smith from communicating with its own clients, and having excluded Reed Smith from negotiations leading up to the Settlement, which occurred while Reed Smith was engaged as counsel. All such malfeasance was in furtherance of Defendants' efforts to line their pockets with compensation rightly owed to Reed Smith.

54. On March 23, 2017, Defendants applied to the court overseeing the SAC Action for more than $30,000,000.00 in legal fees and expenses. Defendants did not seek fees on behalf of Reed Smith, nor did they acknowledge Reed Smith's contractual right to a specifically apportioned amount of the fees awarded.

55. To minimize any chance that the Class might be harmed if the Settlement was not approved, Reed Smith did not seek the fees to which it was entitled during the SAC Action Settlement approval process.

56. No objections were filed with respect to Defendants' application for attorneys' fees or reimbursement of expenses.[1] The final approval hearing on the SAC Action Settlement took place on May 12, 2017. At that hearing, the Settlement was approved in full, and Defendants were awarded $27,000,000.00 in attorneys' fees plus approximately $2,500,000.00 in expenses.

Reed Smith's Entitlement to Fees

57. The Engagement Agreement sets forth a formula to compute the amount of fees to which Reed Smith is entitled. Specifically, in the event of a settlement before commencement of trial (which happened in the SAC Action), Reed Smith is to receive 5% of any recovery up to $150 million. Here, the SAC Action settled for $135 million. Therefore, pursuant to the formula in the Engagement Agreement, Reed Smith is entitled to at least $6,750,000.00 in fees alone.

58. Defendants are entirely responsible for this amount. They induced the breach of Engagement Agreement by exploiting a story about "conflicts" that did not exist, and using this pretext to taint Reed Smith and to convince Reed Smith's clients that they had "good cause" to terminate their agreement with Reed Smith.

59. Defendants' motives could hardly be clearer or more improper. They realized that if they ousted Reed Smith, they would be able to pocket a larger share of attorneys' fees from the Settlement. Thus, having pushed for, and obtained, the retention of Reed Smith as trial counsel to gain both support and leverage in the SAC Action, Defendants quickly moved to eliminate Reed Smith – based on the pretextual and baseless claims of "conflicts" raised by counsel for the SAC Action defendants and privately pressed and leveraged by Defendant Wohl

[1] Though they did not object to Defendants' request for fees and expenses, the SAC Action defendants did object to Defendants' request for more than $800,000 in fees and expenses to lead plaintiff Kaplan.

to justify his improper jettisoning of Reed Smith – once it became apparent that settlement was likely (thanks, of course, to Reed Smith's appearance in the case).

60. Defendants' deliberate and disingenuous misconduct is unbefitting of any attorney, let alone counsel purporting to represent aggrieved investors in a major class action. By their misconduct, Defendants harmed Reed Smith by interfering with the Engagement Agreement and denying Reed Smith the bargained-for compensation to which it was entitled under the plain terms of the Engagement Agreement, including the clearly delineated proportional allocations of fees paid as between Defendant Wohl & Fruchter and Reed Smith.

FIRST CAUSE OF ACTION
Tortious Interference With Contract

61. Reed Smith repeats and realleges the allegations in paragraphs 1 - 60 above as if fully set forth herein.

62. Reed Smith entered into the binding Engagement Agreement with the lead Class plaintiffs in the SAC Action on or before September 19, 2016.

63. Defendants, who actively encouraged and supported Reed Smith's retention, negotiated and were aware of the Engagement Agreement and its terms.

64. Defendants intentionally induced the lead Class plaintiffs to breach the terms of the Engagement Agreement by working to convince them they were able to terminate their engagement with Reed Smith for "good cause" in order to deny Reed Smith compensation provided for under the terms of the Engagement Agreement.

65. However, there was in fact no "good cause" to terminate Reed Smith, and therefore the attorneys' fee provisions of the Engagement Agreement still controlled, and were to be complied with. Nonetheless, Defendants ensured the lead Class plaintiffs would not comply with these provisions.

66. As a result of the breach induced by Defendants, Reed Smith has suffered significant and serious damage, including but not limited to being denied compensation to which it otherwise is entitled under the terms of the Engagement Agreement in an amount not less than $6,750,000.

67. Additionally, Defendants acted deliberately and with malice in exploiting the purported "conflicts" to induce the lead Class plaintiffs to believe they had cause to terminate Reed Smith. As a result, Reed Smith is entitled to recover punitive and exemplary damages from Defendants.

SECOND CAUSE OF ACTION
Unjust Enrichment

68. Reed Smith repeats and realleges the allegations in paragraphs 1 - 67 above as if fully set forth herein.

69. As soon as Defendants ensured the lead Class plaintiffs would retain Reed Smith, Reed Smith actively worked with Defendants in order to prepare to try the SAC Action. Among other things, Reed Smith immediately dedicated its significant financial and personnel resources towards the joint representation.

70. Defendants exploited Reed Smith's appearance – which immediately induced the SAC Action defendants to settle the SAC Action with Defendants for $135 million – and Defendants caused the lead Class plaintiffs to terminate Reed Smith so that Defendants could keep for themselves the fees to which Reed Smith was entitled under the terms of the Engagement Agreement.

71. Equity and good conscience do not permit Defendants to retain the amounts due to Reed Smith under the terms of the Engagement Agreement, amounting to at least $6,750,000,

considering the Settlement only took place once Reed Smith appeared and became involved in prosecuting the SAC Action alongside Defendants.

PRAYER FOR RELIEF

For the foregoing reasons, plaintiff Reed Smith seeks judgment against Defendants as follows:

i. Compensatory damages in an amount to be determined at trial, but not less than $6,750,000;

ii. Punitive damages in an amount to be determined at trial;

iii. Costs, attorneys' fees, and such other and further relief as this Court may deem just and proper.

Dated: New York, New York
June 19, 2017

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