CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Filings

2023 Midyear Assessment

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Executive Summary

Filing activity in the first half of 2023 increased relative to the second half of 2022, from 93 to 114 filings. Maximum Dollar Loss (MDL) reached $2,245 billion in 2023 H1, the highest semiannual total on record.[1] Disclosure Dollar Loss (DDL) in 2023 H1 totaled $170 billion, above the historical semiannual average but not on pace to match the 2022 record high.

The number of 1933 Act filings in state courts is on pace to be the lowest since 2014. In 2023 H1, five filings related to the 2023 Banking Turbulence trend category accounted for 17% of DDL. Cryptocurrency-related filing activity remained high, with 11 filings in 2023 H1.

Number and Size of Filings

- Plaintiffs filed 114 **new securities class action filings** (filings) in 2023 H1, in line with the number of filings in 2022 H1 (115), and above the number of filings in 2022 H2 (93). Similarly, the number of **core filings** (those without M&A allegations) in 2023 H1 equaled the number of core filings in 2022 H1 (110) and was above the number of core filings in 2022 H2 (91). (page 4)

- **Maximum Dollar Loss (MDL)** increased sharply to a record high of $2,245 billion in 2023 H1, more than double the 2022 H2 total ($892 billion) and more than four times the 1997–2022 semiannual average ($548 billion). (page 9)

- **Disclosure Dollar Loss (DDL)** increased to $170 billion in 2023 H1 from $117 billion in 2022 H2 but was well below the record high of $505 billion in 2022 H1. (page 8)

- The number of **state court filings with causes of action under the Securities Act of 1933** (1933 Act) in 2023 H1 (three) was a fraction of the number of such filings between 2018 H1 and 2020 H1, but was in line with the number of such filings in 2022 H2 (two). (page 12)

- In 2023 H1, the percentage of total MDL represented by **mega filings** (92%) nearly reached a historical high, while the percentage of total DDL represented by mega filings equaled the historical average (64%). (page 10)

While filing counts rose by 23%, average filing size grew as well, leading to increases of MDL by 152% (the highest semiannual total recorded) and DDL by 45%.

Figure 1: Federal and State Semiannual Class Action Filings Summary
(Dollars in 2023 billions)

	Semiannual (1997 H1–2022 H2)			2022 H1	2022 H2	2023 H1
	Average	Maximum	Minimum			
Class Action Filings	114	222	55	115	93	114
Core Filings	*96*	*134*	*55*	*110*	*91*	*110*
Disclosure Dollar Loss (DDL)	$114	$505	$22	$505	$117	$170
Maximum Dollar Loss (MDL)	$548	$1,917	$103	$1,660	$892	$2,245

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, 12, 14–16, and 18, or Appendices 2, 4, and 5. See Additional Notes to Figures for Counts and Totals Methodology.

[1] Reported MDL, DDL, and Dollar Loss on Offered Shares (DLOS) numbers are inflation-adjusted to 2023 dollars.

Key Trends in Federal Filings

Cryptocurrency was the trend category with the most filings in 2023 H1 and is nearly on pace to match the record high of such filings set in 2022. Annualized filings involving special purpose acquisition companies (SPACs) continued to decline from the high in 2021, while filings related to the 2023 Banking Turbulence emerged as a new trend.

Trend Filings

- The trend categories with the most filings in 2023 H1 were **cryptocurrency** (11), followed by **SPAC** (seven) and **COVID-19** (six). The numbers of COVID-19 and SPAC-related filings in 2023 are on pace to decline relative to 2022. (page 5)

- Six securities class actions related to the **2023 Banking Turbulence** trend category have been filed (one in 2022 H2 and five in 2023 H1). (page 5)[2]

- **Cryptocurrency-related filings** with multiple defendant types remained common in 2023 H1, while filings against coin issuers were down sharply relative to 2022 with only three in 2023 H1. (pages 5–6)

Dollar Loss on Offered Shares Index™ (DLOS Index™)

- The **DLOS Index for federal Section 11 claims** for 2023 H1 declined significantly compared to 2022. (page 13)

- **DLOS from filings in California state courts** increased substantially, surpassing New York state court filings as the main source of DLOS in 2023 H1. (page 13)

- The **median DLOS** in federal courts in 2023 H1 was less than a third of the historical median, while the median DLOS in state courts in 2023 H1 was 54% larger than the historical median. (page 13)

M&A and Section 11 Filings

- In 2023 H1, there were only four federal **M&A filings** which, if annualized, would be only 4% of the peak in 2017 (198 filings). (page 3)

- The number of **1933 Act filings in state courts** is on pace to be the lowest since 2014. (page 12)

Non-U.S. Issuers

- The number of core federal filings against **non-U.S. issuers** in 2023 H1 (20) is on pace to remain well below the recent high in 2020 (73). (page 16)

- As a percentage of total core federal filings, core federal filings against non-U.S. issuers in 2023 H1 remained similar to that in 2022, around 18%. (page 16)

By Industry

- The number of **Financial sector** filings in 2023 H1 tripled relative to the number of such filings in 2022 H2, partially driven by filings in the 2023 Banking Turbulence trend category. (page 18)

- **Communications sector** filings comprised 42% of total MDL and 18% of total DDL in 2023 H1. (pages 18, 27)

- **Consumer Cyclical sector** filings comprised 32% of total MDL and 27% of total DDL in 2023 H1, well above the historical semiannual average contributions. (pages 18, 27)

By Circuit

- MDL in the **Ninth Circuit** increased by over 500%, while MDL in the **Second Circuit** increased by 3%. (pages 19, 27)

- Combined, the number of filings in the **Second** and **Ninth Circuits** comprised 55% of the total number of core federal filings in 2023 H1, below the percentage of core federal filings in these circuits in 2022 H2 (71%) and in line with the 1997–2022 semiannual average (56%). (page 19)

U.S. Exchange-Listed Companies

- In 2023 H1, the likelihood of a core filing against a **U.S. exchange-listed company** is on pace to increase slightly to an annualized rate of 3.2% but remains well below the 2009–2022 average. (page 11)
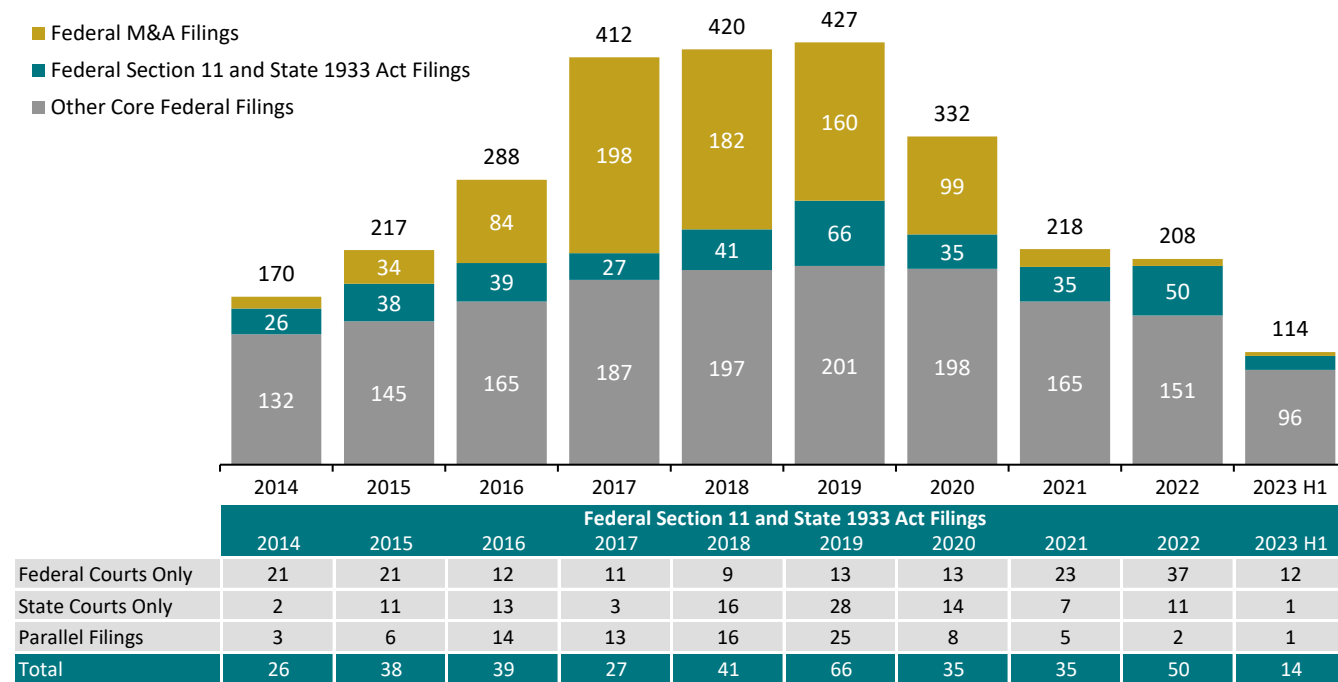
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[2] 2023 Banking Turbulence filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023. The initial complaint against Silvergate Capital Corporation, parent company of Silvergate Bank, was filed on December 12, 2022; the amended complaint was filed on May 11, 2023.

Combined Federal and State Filing Activity

- In 2023 H1, there were only four federal M&A filings which, if annualized, would be only 4% of the peak in 2017 (198 filings).

- Both federal Section 11 and state 1933 Act filings are on pace to decrease substantially in 2023, from a combined total of 50 filings in 2022 to an annualized total of 28 filings in 2023. Much of this decline is attributable to a drop in state 1933 Act filings, but federal Section 11 filing activity was down as well.

- The number of other core federal filings—those excluding federal Section 11 and state 1933 Act filings—is on pace to exceed the number of core federal filings in 2022 and to be the highest total since 2020.

- The annualized number of parallel filings in 2023 is in line with the total number of parallel filings in 2022 and well below the peak in 2019.

- There was just one state-court-only 1933 Act filing in 2023 H1, on pace to drop steeply from the 11 state-court-only 1933 Act filings in 2022.

The number of 1933 Act filings in state courts is on pace to be the lowest since 2013.

Figure 2: Federal Filings and State 1933 Act Filings by Venue 2014–2023 H1

Legend:
- Federal M&A Filings
- Federal Section 11 and State 1933 Act Filings
- Other Core Federal Filings

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 H1
Federal M&A Filings		34	84	198	182	160	99			
Federal Section 11 and State 1933 Act Filings	26	38	39	27	41	66	35	35	50	
Other Core Federal Filings	132	145	165	187	197	201	198	165	151	96
Total	170	217	288	412	420	427	332	218	208	114

Federal Section 11 and State 1933 Act Filings										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 H1
Federal Courts Only	21	21	12	11	9	13	13	23	37	12
State Courts Only	2	11	13	3	16	28	14	7	11	1
Parallel Filings	3	6	14	13	16	25	8	5	2	1
Total	26	38	39	27	41	66	35	35	50	14

Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; 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, 12, 14–16, and 18, or Appendices 2, 4, and 5. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.
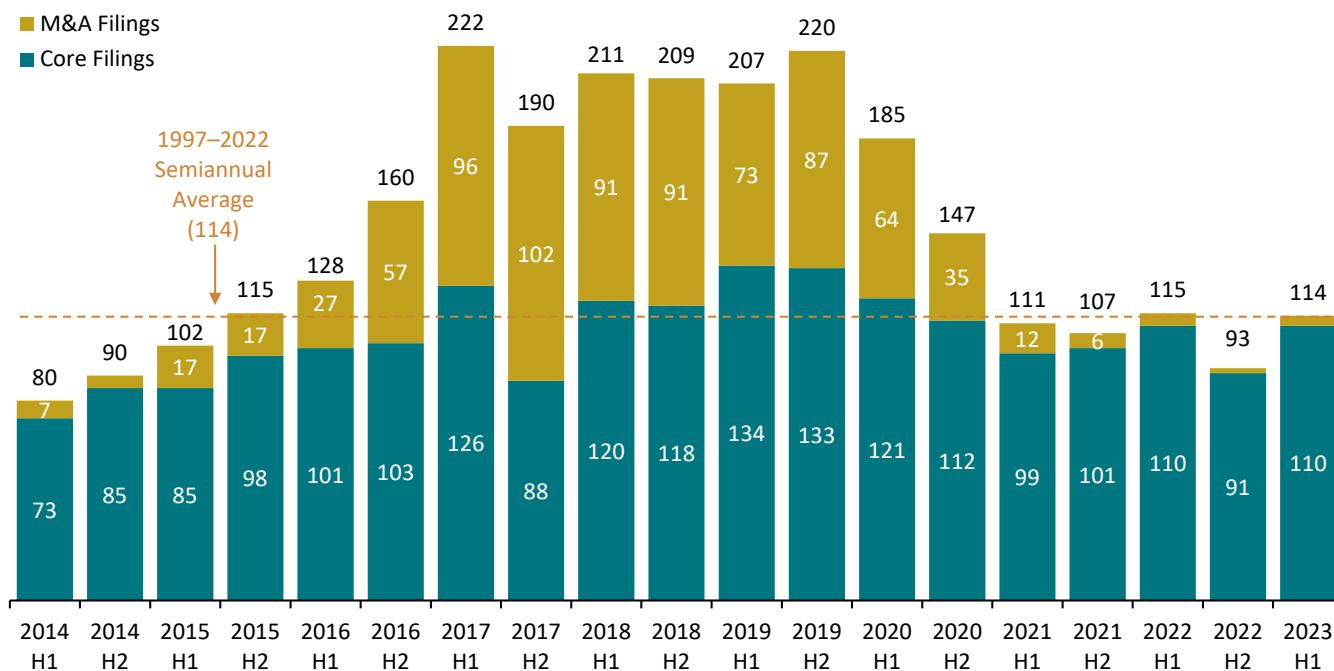
Number of Federal and State Filings

- Plaintiffs filed 114 securities class actions in 2023 H1, equal to the semiannual average and greater than the previous semiannual total of 93 filings. The total number of filings in 2023 H1 remains considerably below the semiannual number of filings between 2016 and 2020.

- Semiannual M&A filing activity has remained low with four filings in the first half of 2023, far beneath the level of filing activity in 2015–2020.

- The number of core filings rebounded to 110 in 2023 H1, after dropping from 110 filings in 2022 H1 to 91 filings in 2022 H2.

Total filing activity increased in 2023 H1 relative to 2022 H2 and was in line with the historical semiannual average.

- The record-high number of core filings in 2019 and 2020 was due in part to a temporary increase in state 1933 Act filings in the interim period between the *Cyan* and *Sciabacucchi* decisions. Further, from 2019 (the peak of the interim period) to 2021 (the first year post-*Sciabacucchi*), the number of state 1933 Act filings dropped by 77%. If 2023 H1 trends continue, and accounting for parallel filings, state 1933 Act filings will be only around 8% of the levels in 2019. See Figure 13 for more information on federal Section 11 and state 1933 Act filings.

Figure 3: Class Action Filings Index® (CAF Index®) Semiannual Number of Class Action Filings 2014 H1–2023 H1

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, 12, 14–16, and 18, or Appendices 2, 4, and 5. See Additional Notes to Figures for Counts and Totals Methodology.

Summary of Trend Filings

This figure highlights recent trend categories that have appeared in core filing activity. See the Glossary for the definition of a trend category.

- The trend categories with the most filings in 2023 H1 were cryptocurrency (11), followed by SPAC (seven) and COVID-19 (six).

- Six securities class actions related to the 2023 Banking Turbulence were filed (one in 2022 H2 and five in 2023 H1), representing a new emerging trend.[3]

- The annualized number of cryptocurrency-related filings in 2023 is near the record high set in 2022. Filings against defendants that allegedly owned, operated, or controlled cryptocurrency exchanges represented six of the 11 cryptocurrency-related filings. See Figure 5 and Appendix 5 for more detail.

Cryptocurrency was the trend category with the most filings in 2023 H1, and the new 2023 Banking Turbulence trend category emerged.

- In 2023 H1, four of the six COVID-19-related filings were mega MDL filings.

- The number of cannabis-related filings in 2023 H1 remained low (one). The sole filing was against a company headquartered in Canada.

- The number of cybersecurity-related filings in 2023 is on pace to match the number of such filings in 2022 (four).

Figure 4: Summary of Trend Filings—Core Federal Filings
2019–2023 H1
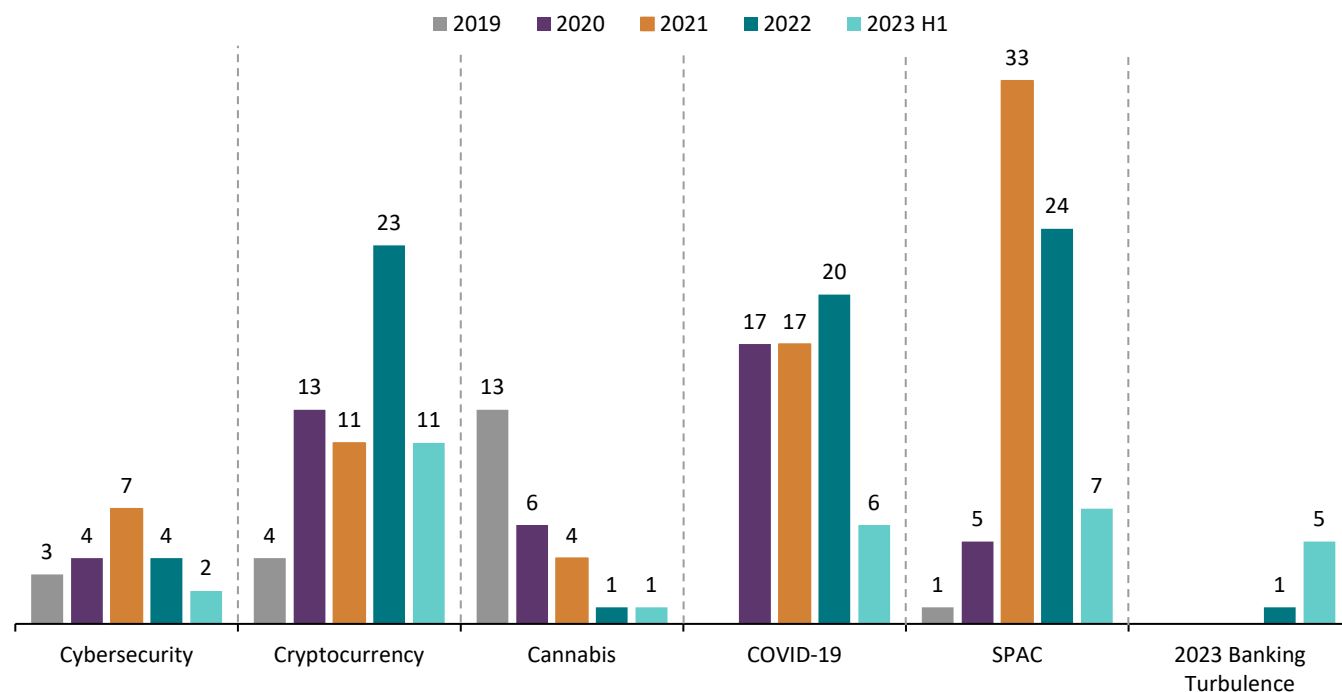
Note: All trend categories only count core federal filings. As such, M&A SPAC filings are excluded from this exhibit. There were five, two, one, one, and one of such filings in 2019, 2020, 2021, 2022, and 2023, respectively. As a result, filing counts shown here may not match the counts shown in Figure 6. Some filings may be included in more than one trend category. See Additional Notes to Figures for trend category definitions, more detailed trend information, and Counts and Totals Methodology.

[3] 2023 Banking Turbulence filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023. The initial complaint against Silvergate Capital Corporation, parent company of Silvergate Bank, was filed on December 12, 2022; the amended complaint was filed on May 11, 2023.

Summary of Cryptocurrency-Related Filings

This figure categorizes cryptocurrency-related filings since 2016 by defendant type.

- The annualized number of cryptocurrency-related filings is near the record high set in 2022.

- In 2023 H1, 45% of cryptocurrency-related filings were against multiple defendant types, up from 35% in 2022. See Appendix 5 for more information.

- For the first time since 2016, all cryptocurrency-related filings against a coin issuer (three) also included other defendant types and were categorized as multiple defendant type filings. See Appendix 5.

- The share of cryptocurrency-related filings against coin issuers dropped to 27%, down substantially from 43% in 2022. See Appendix 5.

Cryptocurrency-related filings with multiple defendant types remained common in 2023 H1, while filings against coin issuers were down sharply relative to 2022.

- From 2016 to 2019, only 8% of cryptocurrency-related filings included allegations against defendants that owned, operated or controlled cryptocurrency exchanges. Thereafter, 43% of cryptocurrency-related filings have included such allegations. See Appendix 5.

- In 2023 H1, the number of cryptocurrency-related filings including allegations against crypto miners (three) has already matched the total number of such filings in 2022.

Figure 5: Summary of Cryptocurrency-Related Filings—Core Federal Filings
2016–2023 H1
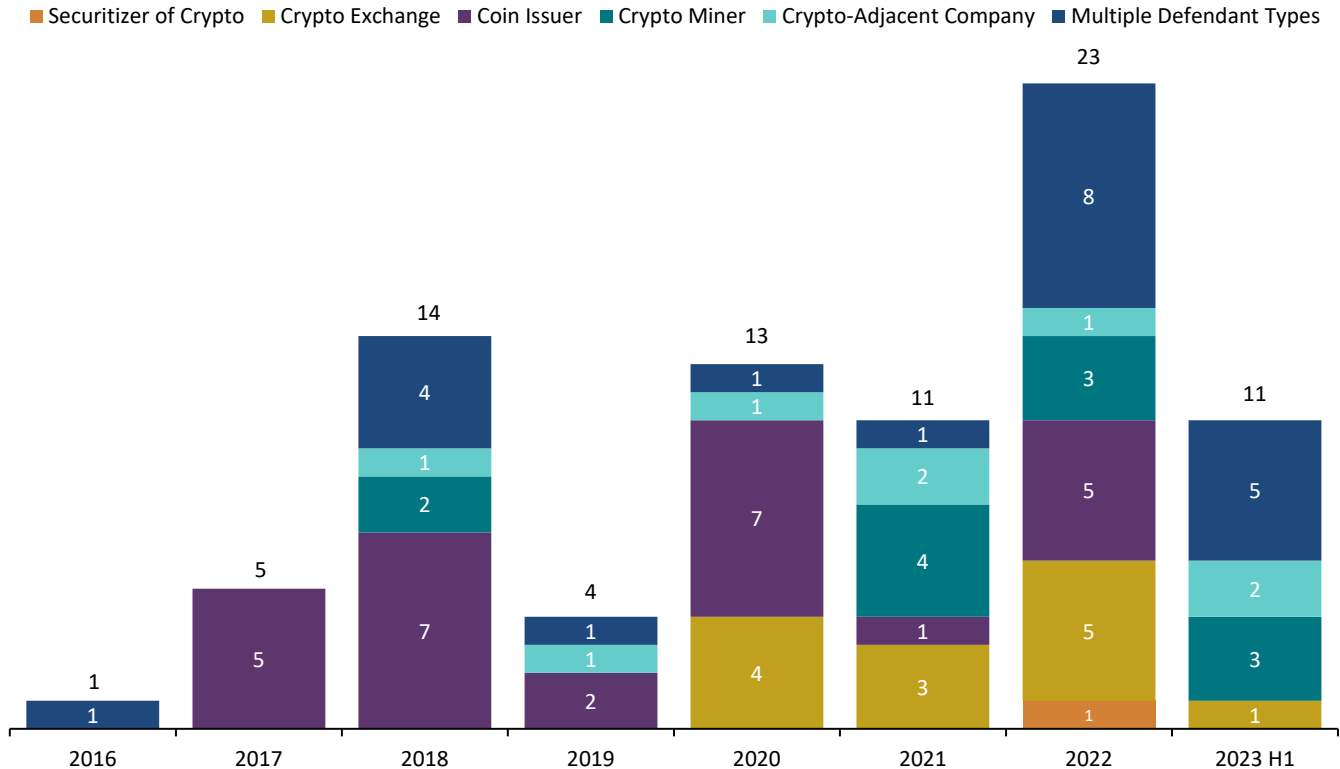
Note: "Multiple Defendant Types" refers to primary defendants operating in two or more of the categories. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

Federal SPAC Filing Allegations

The figure below illustrates how the types of allegations in filings against current and former SPACs have changed over time. Allegations are based on first identified complaints.

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In the first half of 2023, three of the eight total filings against SPACs included Section 11 claims, equaling the total number of SPAC filings with Section 11 claims in 2022.

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- After a sharp drop in 2022 H2, the number of federal SPAC filings has remained low, with eight filings in 2023 H1.

- The share of SPAC filings including Section 11 claims in 2023 H1 (38%) was the highest on record.

- For the first time since tracking of SPAC-related filings began in 2019, there were filings against SPACs that included Section 11 claims without accompanying Section 10(b) claims (two).

- Federal SPAC filings with M&A allegations remain rare, comprising just 13% of 2023 H1 federal SPAC filings.

- No SPAC filings in 2023 H1 were mega MDL or mega DDL filings. In contrast, in 2021 and 2022, there was one filing classified as both mega MDL and mega DDL and two filings classified as only mega MDL.

Figure 6: Federal SPAC Filing Allegations
2019 H1–2023 H1
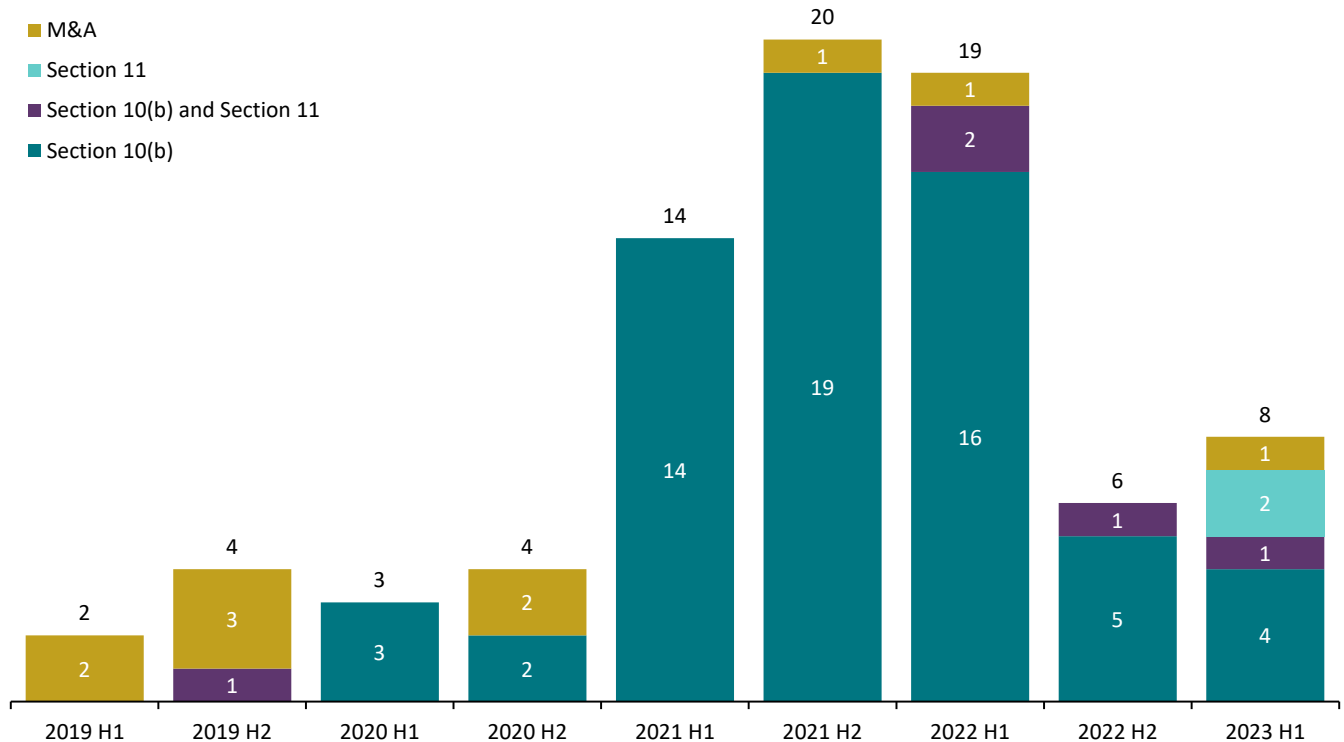
Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; *SPAC Insider*

Note: This figure includes both core and M&A SPAC filings. As a result, total filing counts may not match Figure 4. 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. See Additional Notes to Figures for Counts and Totals Methodology.

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 2023 dollars. See the Glossary for additional discussion on market capitalization losses and DDL.

- The DDL Index increased to $170 billion in 2023 H1, a 45% increase from 2022 H2 and the fourth consecutive semiannual period with DDL above the historical average of $114 billion.

- The sector with the highest share of DDL in 2023 H1 was Consumer Cyclical (27%), even though only 14% of core filings were in the Consumer Cyclical sector. See Appendix 1 for DDL totals and averages from 1997 H1 to 2023 H1. See Appendix 3 for DDL totals by industry.

The DDL Index increased by 45% in 2023 H1 relative to 2022 H2 but was well below the record high set in 2022 H1.

- 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 2019 to 2023 H1 in which the ratio of DDL to predisclosure market capitalization was less than 3% (18 filings), the median predisclosure market capitalization was $7 billion, compared to $2 billion for all Section 10(b) filings during the same period.

- Five filings in the 2023 Banking Turbulence trend category comprised 17% of total DDL in 2023 H1.

Figure 7: Disclosure Dollar Loss Index® (DDL Index®)
2014 H1–2023 H1
(Dollars in 2023 billions)
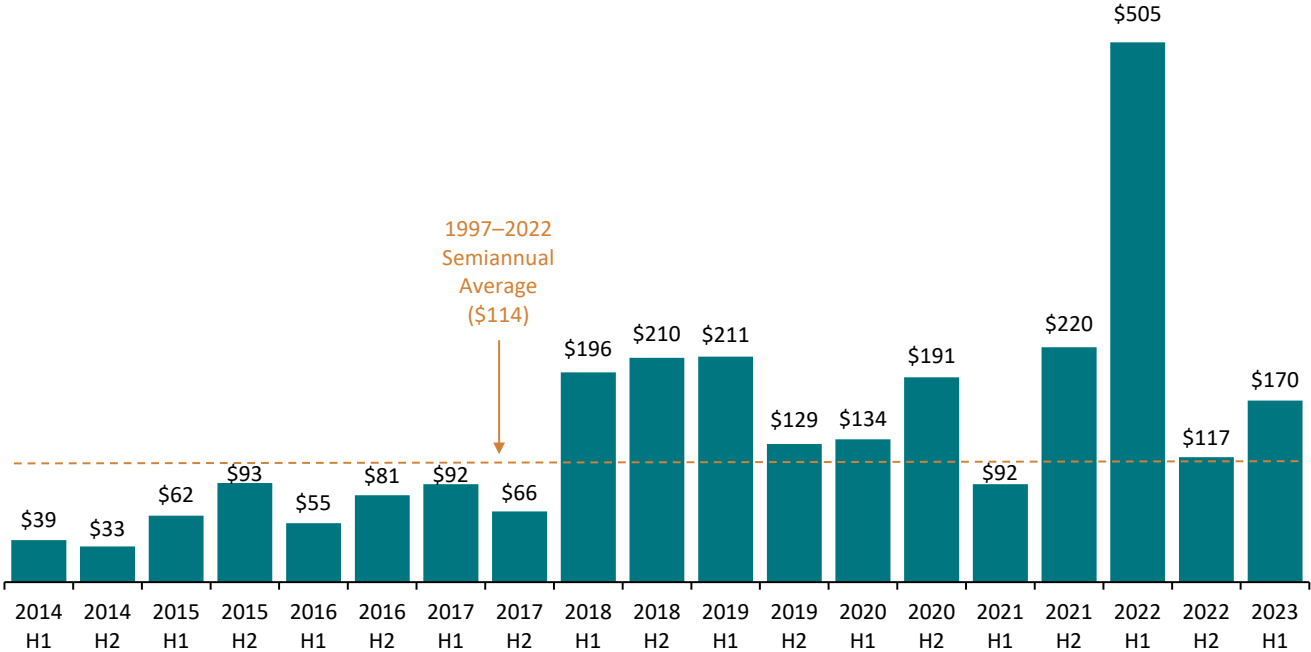
Note: This figure begins including DDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL Index values will not match the values in Appendix 4, which summarizes federal filings. DDL associated with parallel class actions is only counted once. There are core filings for which data are not available to estimate DDL accurately; these filings are excluded from DDL analysis. The numbers shown in this exhibit have been inflation-adjusted to 2023 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 2023 dollars. See the Glossary for additional discussion on market capitalization losses and MDL.

- The largest contributor to the MDL Index was the Communications sector, which comprised 42% of total MDL, even though the sector represented only 12% of core filings. Two filings against large companies in the Communications sector alone amounted to 40% of total MDL.

- The Financial sector had five more core filings than the Communications sector (18 and 13 filings, respectively), but only accounted for 7% of total MDL in 2023 H1.

- See Appendix 1 for MDL totals and averages from 1997 H1 to 2023 H1. See Appendix 3 for MDL totals by industry.

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The semiannual MDL Index rose to an inflation-adjusted record high, more than four times the historical semiannual average and a 152% increase from 2022 H2.

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Figure 8: Maximum Dollar Loss Index® (MDL Index®)
2014 H1–2023 H1
(Dollars in 2023 billions)
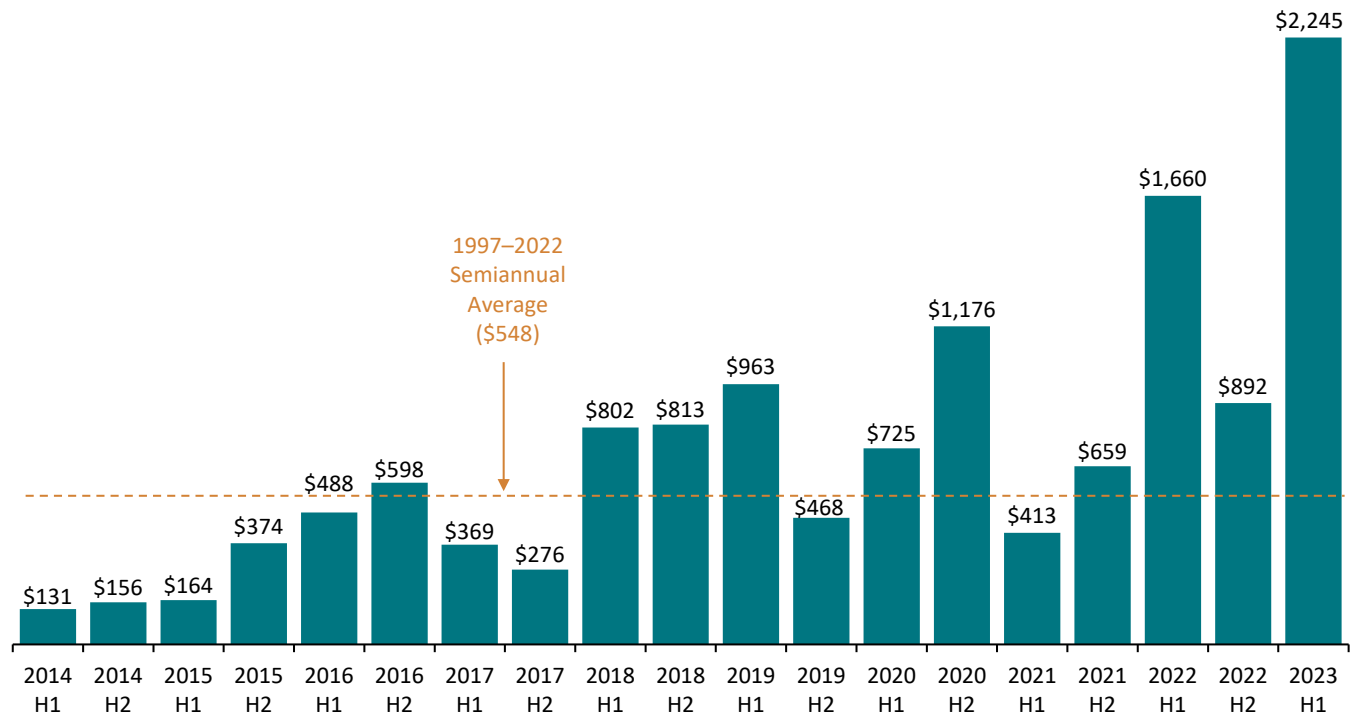
Note: This figure begins including MDL associated with state 1933 Act filings in 2010. As a result, this figure's MDL Index values will not match the values in Appendix 4, which summarizes federal filings. MDL associated with parallel class actions is only counted once. There are core filings for which data are not available to estimate MDL accurately; these filings are excluded from MDL analysis. The numbers shown in this exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures 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 2023 dollars.

- The number of mega MDL filings in 2023 H1 (23) was more than double the 1997–2022 semiannual average (10) and when annualized is greater than the 2022 total (38). Similarly, total MDL from mega filings in 2023 H1 ($2,071 billion) nearly matched total MDL from mega filings in 2022 ($2,251 billion).

- There were eight mega DDL filings in 2023 H1, twice the 1997–2022 semiannual average of four. Total DDL for mega filings in 2023 H1 was 30% higher than that of 2022 H2 but only a fifth of total mega DDL in 2022, suggesting that mega DDL in 2023 is not on pace to reach the record-high mega DDL set in 2022.

- In 2023 H1, the percentage of total DDL represented by mega filings (64%) continued to decrease from a record high in 2022 H1, matching the semiannual historical average (64%). However, the percentage of total MDL represented by mega filings (92%) was near a record high, far exceeding the historical average (78%).

- The Consumer Cyclical sector made up 39% of total mega DDL and 33% of total mega MDL, the first and second highest of all sectors, respectively.

- In 2023 H1, mega MDL filings in the Communications sector (five) comprised 22% of total mega MDL filings and 46% of total mega MDL. Mega MDL filings in the Consumer Non-Cyclical sector (six) comprised 26% of total mega MDL filings but only 6% of total mega MDL.

- Nearly 40% of core filings in the Communications sector in 2023 H1 were mega MDL filings (five of 13).

- The average MDL value of mega MDL filings in the Communications sector was nearly 10 times larger than the average MDL value of mega MDL filings in the Consumer Non-Cyclical sector.

- Four of the five filings in the 2023 Banking Turbulence trend category in 2023 H1 were either mega MDL or mega DDL filings. Two filings were both mega MDL and mega DDL filings.

The number and total index value of mega MDL filings is on pace to reach historical highs in 2023.

Figure 9: Mega Filings

	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1
Mega Disclosure Dollar Loss (DDL) Filings				
Mega DDL Filings	4	12	6	8
Mega DDL ($ Billions)	$72	$449	$84	$109
Percentage of Total DDL	64%	89%	72%	64%
Mega Maximum Dollar Loss (MDL) Filings				
Mega MDL Filings	10	19	19	23
Mega MDL ($ Billions)	$430	$1,473	$779	$2,071
Percentage of Total MDL	78%	89%	87%	92%

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 4, 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 exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures Counts and Totals Methodology.
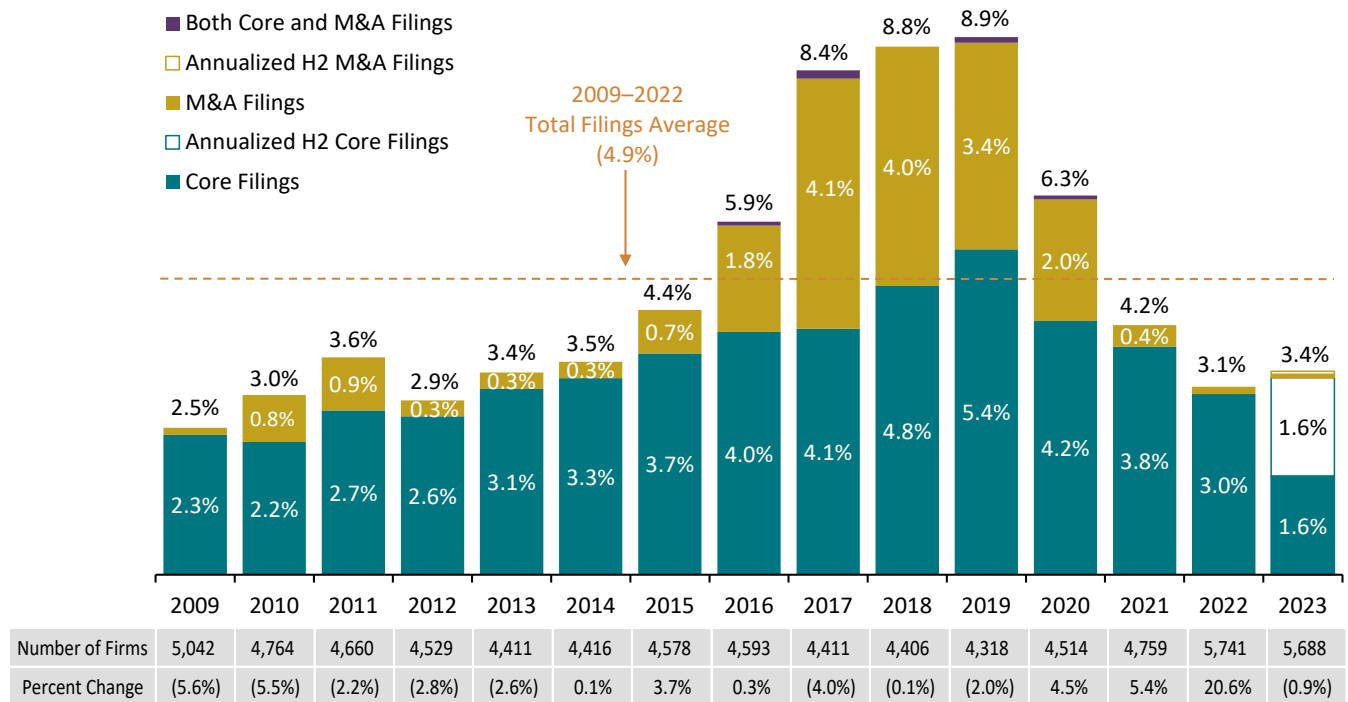
U.S. Exchange-Listed Companies

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.

- At the current pace, only 3.4% of companies listed on major U.S. exchanges are or will become subject to a core or M&A filing in 2023. This is in line with the percentage in 2022 but represents a large decline from 2016–2020 levels.

- The percentage of U.S. exchange-listed companies subject to a core filing in 2023 H1 was 1.6%, on pace to be in line with that of 2022 but below the 2009–2022 average.

The likelihood of a core filing against a U.S. exchange-listed company is on pace to increase slightly to an annualized rate of 3.2% but remains well below the 2009–2022 average.

- The percentages of U.S. exchange-listed companies subject to an M&A filing in 2022 and 2023 are the two lowest since tracking of M&A filings began in 2009. These rates remain well below 2016–2020 levels.

Figure 10: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings
2009–2023 H1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Firms	5,042	4,764	4,660	4,529	4,411	4,416	4,578	4,593	4,411	4,406	4,318	4,514	4,759	5,741	5,688
Percent Change	(5.6%)	(5.5%)	(2.2%)	(2.8%)	(2.6%)	0.1%	3.7%	0.3%	(4.0%)	(0.1%)	(2.0%)	4.5%	5.4%	20.6%	(0.9%)

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. The figure begins including companies facing suits in state 1933 Act filings in 2010. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.
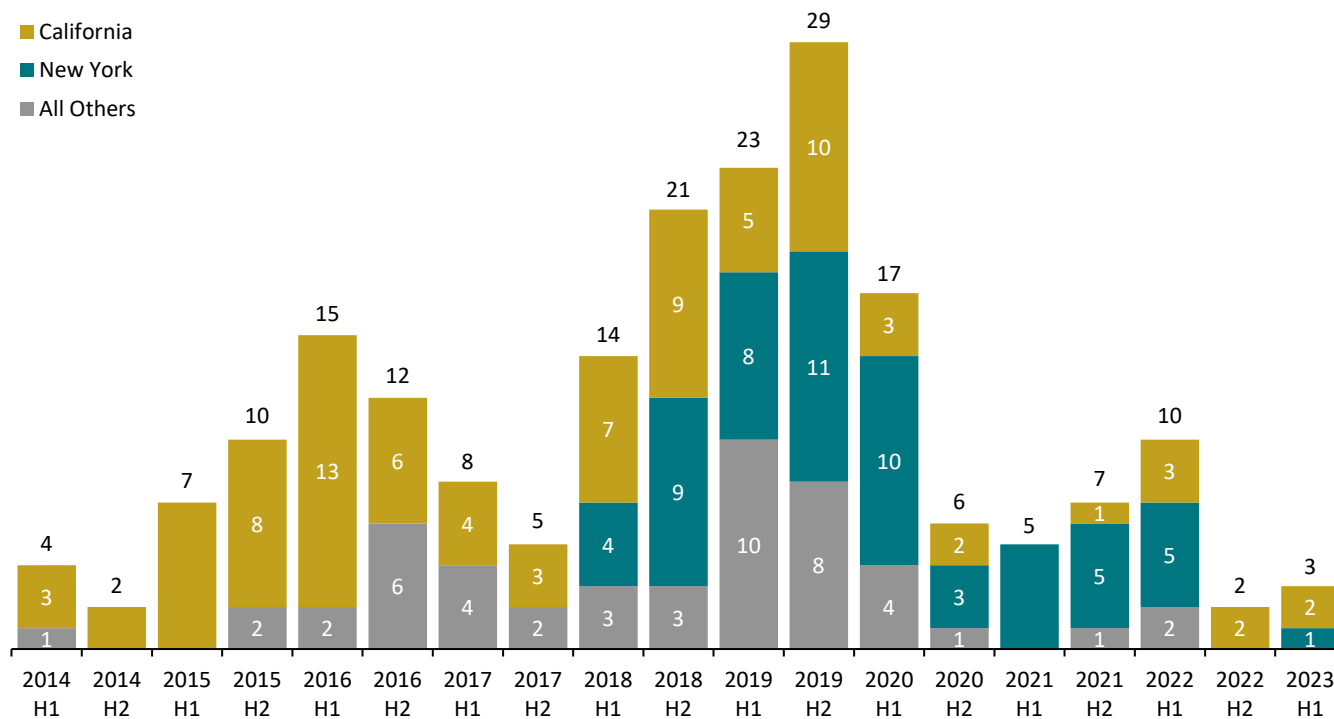
1933 Act Filings in State Courts

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.

- Of the three state 1933 Act filings in 2023 H1, two were filed in California, in line with 2022 H2. These lawsuits may ultimately be dismissed and filed in other jurisdictions due to the enforcement of federal forum-selection provisions.

- In 2023 H1, there were only three state 1933 Act filings, consistent with the low number of filings observed in 2022 H2 (two filings).

State 1933 Act filings remained low and were concentrated in California and New York.

- No new state 1933 Act filings in states other than New York and California have been identified since 2022 H1.

Figure 11: State 1933 Act Filings by State
2014 H1–2023 H1

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 1–3, 13, and 14, or Appendix 1. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

Dollar Loss on Offered Shares Index™ (DLOS Index™)

This analysis calculates the loss of market value of class members' shares offered in securities issuances that are subject to 1933 Act claims. It is calculated as the shares offered at issuance (e.g., in an initial public offering (IPO), a seasoned equity offering (SEO), or a corporate merger or spinoff) acquired by class members multiplied by the difference between the offering price of the shares and the price on the filing date of the first identified complaint. Reported numbers are inflation-adjusted to 2023 dollars.
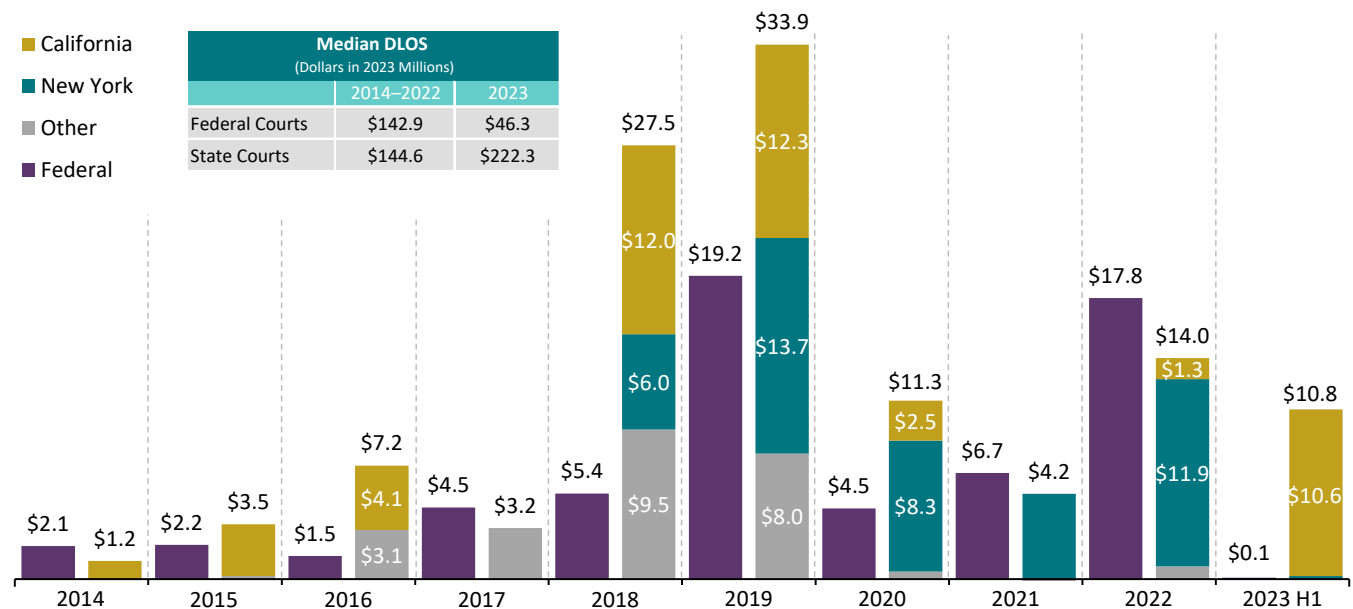
This alternative measure of losses has been calculated for federal filings involving only Section 11 claims (i.e., no Section 10(b) claims) and 1933 Act filings in state courts. This measure, Dollar Loss on Offered Shares (DLOS), aims to capture, more precisely than MDL, the dollar loss associated with the specific shares at issue as alleged in a complaint.

In 2023 H1, the largest Section 11 cases were filed in California.

- DLOS from filings in California state courts increased substantially, surpassing New York state court filings as the main source of DLOS in 2023 H1.

- The median DLOS in federal courts in the first half of 2023 ($46.3 million) was less than a third of the historical median ($142.9 million).

- The median DLOS in state courts in the first half of 2023 ($222.3 million) was 54% larger than the historical median ($144.6 million).

Figure 12: Dollar Loss on Offered Shares Index™ (DLOS Index™) for Federal Section 11–Only and State 1933 Act Filings 2014–2023 H1

(Dollars in 2023 billions)

Median DLOS (Dollars in 2023 Millions)	2014–2022	2023
Federal Courts	$142.9	$46.3
State Courts	$144.6	$222.3

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

Note: This figure does not identify or account for parallel filings. 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, this figure differs in counts and totals from other figures that rely on parallel filing identification. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

# Comparison of Federal Section 11 Filings and State 1933 Act Filings

The figure below is a combined measure of Section 11 filing activity in federal courts and 1933 Act filings in state courts. It highlights parallel (or related) class actions in federal and state courts.

- Combined federal Section 11 and state 1933 Act filing activity in 2023 H1 decreased by 42% relative to 2022 H2 due to a 45% decrease in federal-only Section 11 filing activity.

- Post-*Sciabacucchi* (March 18, 2020–present), federal-only filings rose to 65% of total federal Section 11 and state 1933 Act filings, more than triple the 18% during the *Cyan–Sciabacucchi* interim period (March 20, 2018–March 18, 2020).

- The share of state-only filings dropped to 24% post-*Sciabacucchi*, compared to 41% during the interim period but still above the January 1, 2012, to March 20, 2018, share of 20%.

There were slightly over half as many federal-only Section 11 filings in 2023 H1 as in 2022 H2.

- The share of parallel filings has continued to decline post-*Sciabacucchi*, comprising just 10% of total federal Section 11 and state 1933 Act filings. This is down substantially from the interim period share of 40% and the January 1, 2012, to March 20, 2018, share of 25%.

- Only two of the 14 combined federal Section 11 and state 1933 Act filings were brought in state courts in 2023 H1, with or without a parallel filing. This count is tied with that of 2022 H2 for the lowest since 2014 H2.

Figure 13: Semiannual Federal Section 11 and State 1933 Act Filings
2012 H1–2023 H1
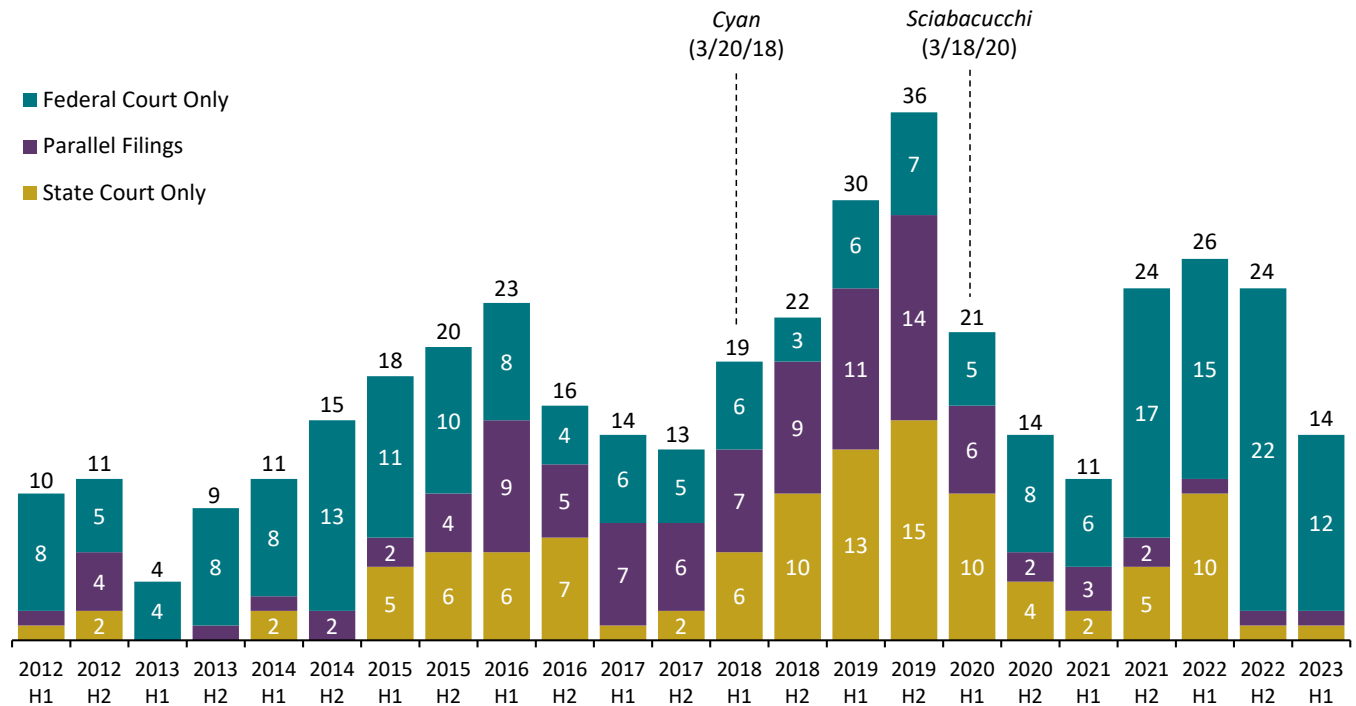
Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different semiannual periods, only the earlier filing is reflected in the figure above. Filings against the same company brought 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, 12, 14–16, and 18, or Appendices 2, 4, and 5. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

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

The figure below illustrates Section 11 claims in federal courts and 1933 Act claims in state courts based on the type of security issuance underlying the lawsuit.

- Federal Section 11 filings in 2023 H1 were spread across issuance types, while IPOs accounted for 100% of state 1933 Act filings.

In 2023 H1, state 1933 Act claims were exclusively related to IPOs, while issuance types for federal Section 11 filings were varied.

- Filings related to mergers or spin-offs were common in federal courts, with four filings in 2023 H1. Three of these filings were against current or former SPACs.

- The number of federal Section 11 filings is on pace to decline in 2023 relative to 2022, largely driven by a decrease in IPO-related filings.

- The two "Other" federal Section 11 filings were related to allegations concerning issuances of exchange-traded funds (ETFs) and bonds.

Figure 14: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance 2019–2023 H1
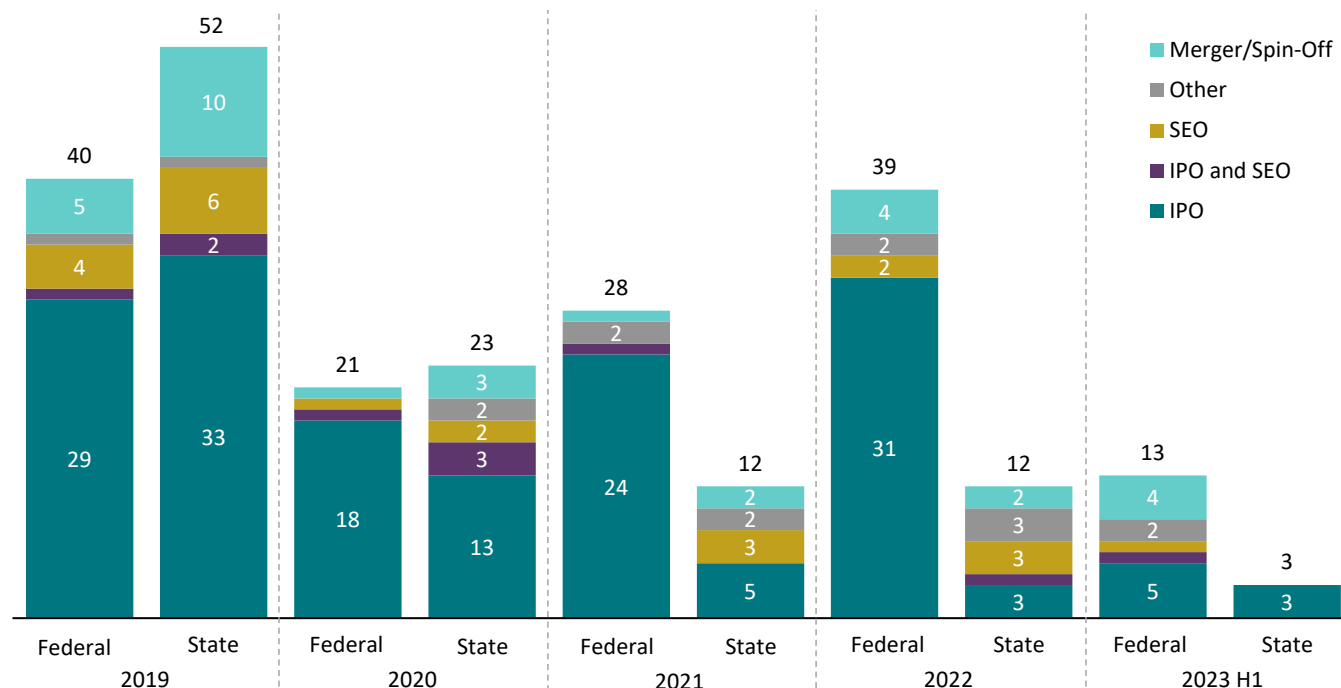
Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note: 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 cases that have parallel filings in both state and federal courts. As a result, this figure's filing counts may not match any figure's counts other than those underlying Figure 12. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

Non-U.S. Core Federal Filings

This index tracks the number of core federal filings against companies headquartered outside the United States relative to total core federal filings.

- There were 20 core federal filings against non-U.S. issuers in 2023 H1. Annualized core federal filings against non-U.S. issuers in 2023 are in line with the previous two years.

- If this pace of filings continues into 2023 H2, core federal filings against non-U.S. firms in 2023 will be below the 2014–2022 average of 45 filings.

The number of core federal filings against non-U.S. issuers is on pace to remain well below the recent high of 73 filings in 2020.

- As a percentage of total core federal filings, core federal filings against non-U.S. issuers in 2023 H1 remained similar to that in 2022, around 18%.

Figure 15: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2014–2023 H1
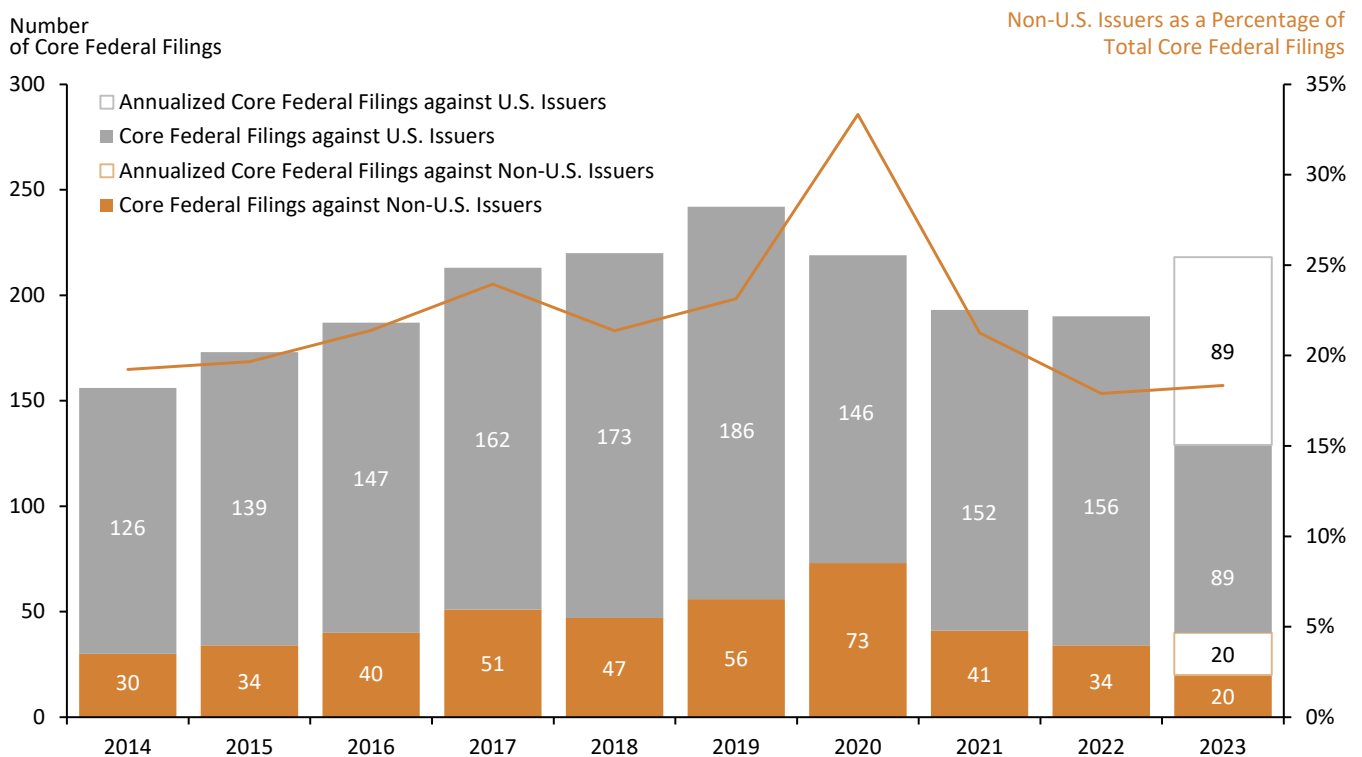
Note: This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and filings are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified 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, 6–14, and 17, or Appendices 1–3. See Additional Notes to Figures for Counts and Totals Methodology.

- Three of the 20 core filings against non-U.S. firms in 2023 H1 included allegations related to cryptocurrency.

- In 2023 H1, there were three filings against Israeli firms, the largest count since 2020. One of these filings included allegations related to cryptocurrency.

- Three of the six filings against European firms were against firms headquartered in the United Kingdom.

- There was one filing against a Canadian firm in 2023 H1, related to cannabis.

The number of core federal filings against Asian firms is on pace to surpass 2022, while the number of filings against European firms is in line with 2022.

Figure 16: Non-U.S. Filings by Location of Headquarters—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, 6–14, and 17, or Appendices 1–3. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.
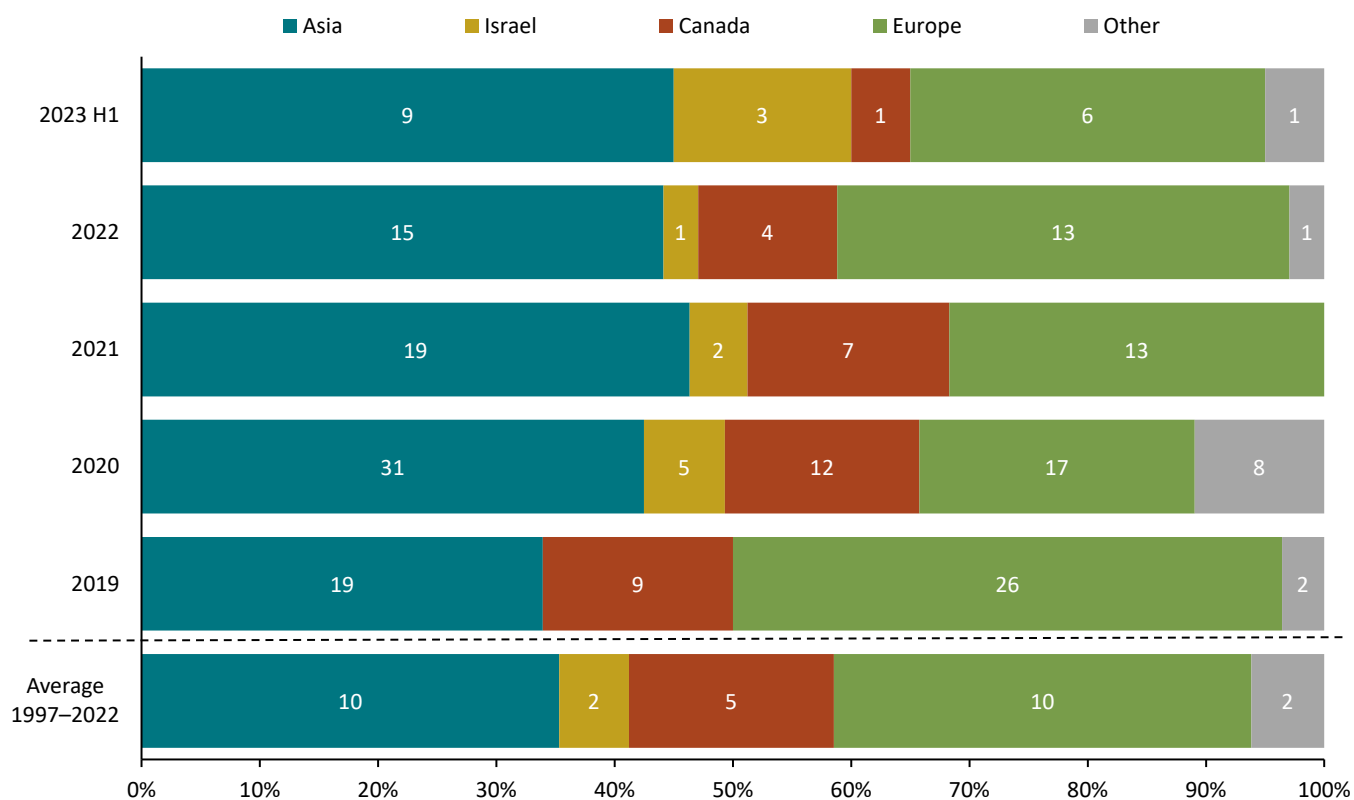
Industry Comparison of Core Filings

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.

- Financial sector filings tripled, from six in 2022 H2 to 18 in 2023 H1, 20% above the historical semiannual average of 15 filings.

- Financial sector filings had the fourth-highest MDL and the second-highest DDL, in line with semiannual averages. See Appendix 3 for more details.

- As in the past 22 semiannual periods, the Consumer Non-Cyclical sector had the highest number of filings. There were 25 filings in this sector in 2023 H1, down from 30 filings in 2022 H2.

The number of filings in the Financial sector tripled in 2023 H1 relative to 2022 H2 and was the largest semiannual number since 2010 H2.

- Communications sector filings comprised 42% of total MDL and 18% of total DDL in 2023 H1. Consumer Cyclical sector filings comprised 32% of total MDL and 27% of total DDL in 2023 H1, well above the historical semiannual average contributions. See Appendix 3 for more details.

- The number of Communications sector filings increased from 10 in 2022 H2 to 13 in 2023 H1. This was the most in a half year since 2021 H2 and in line with the 1997–2022 semiannual average.

Figure 17: Filings by Industry—Core Filings

Note: Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this chart 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, 12, 14–16, and 18, or Appendices 2, 4, and 5. Sectors are based on the Bloomberg Industry Classification System. See Additional Notes to Figures for Counts and Totals Methodology.

Core Federal Filings by Circuit

- The number of filings in the Second and Ninth Circuits combined comprised 55% of the total number of core federal filings in 2023 H1, below the percentage of core federal filings in these circuits in 2022 H2 (71%) and in line with the 1997–2022 semiannual average (56%).

- Core filings in the Ninth Circuit (33) were 18% higher than in 2022 H2 (28). Total MDL of these filings increased by over 500% from $267 million in 2022 H2 to $1.7 billion in 2023 H1. Core filings in the Ninth Circuit accounted for 76% of total MDL in 2023 H1, well above the historical semiannual average of 31%. See Appendix 4 for more details.

- In 2023 H1, the three largest filings by MDL and four of the largest five filings by DDL were in the Ninth Circuit.

MDL in the Ninth Circuit increased by over 500%, while MDL in the Second Circuit increased by 3%.

- Core filings in the Second Circuit in 2023 H1 (27) decreased by 25% relative to 2022 H2 (36). MDL in the Second Circuit ($142 billion) was 21% below the historical semiannual average ($180 billion). See Appendix 4.

- Two of the top five filings by DDL were from the Financial sector and were filed in the Ninth Circuit.

- There were no filings in the D.C. Circuit.

Figure 18: Filings by Circuit—Core Federal Filings
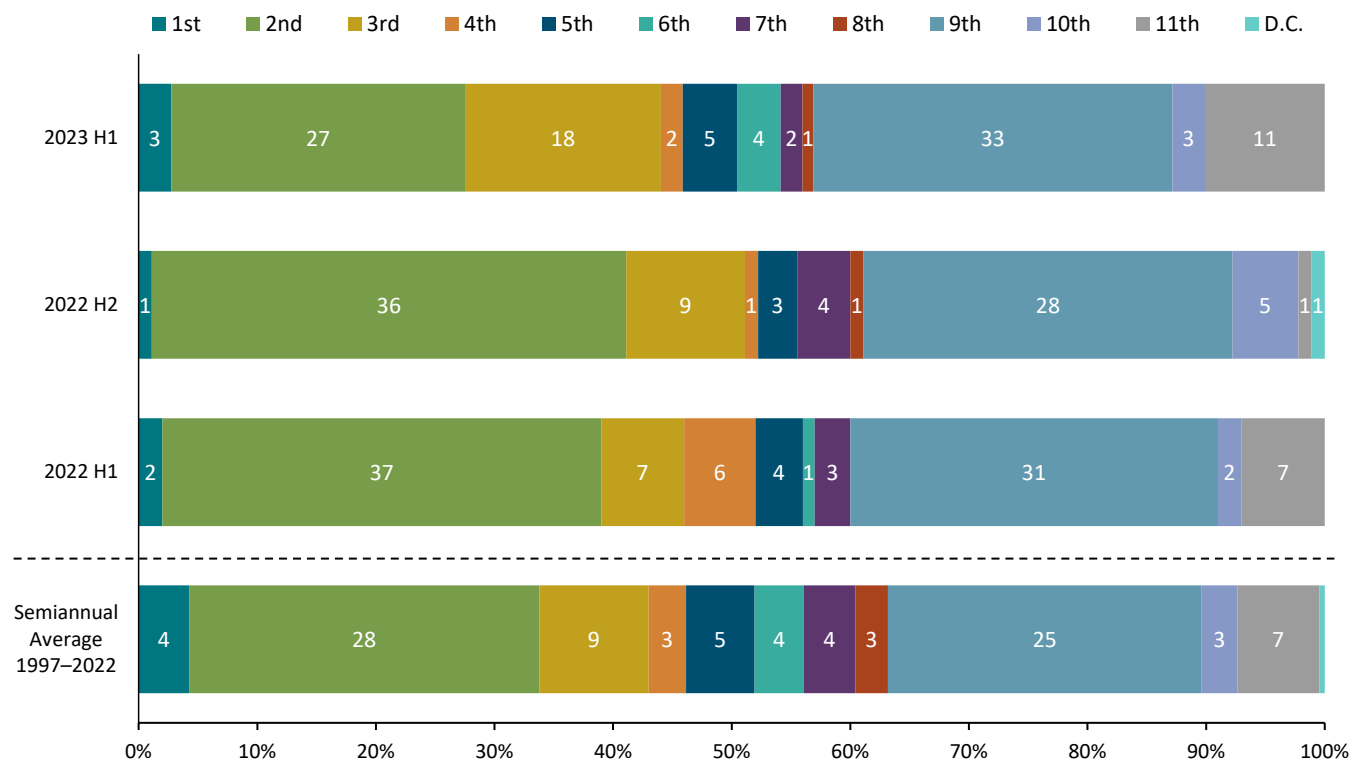
Note: This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified 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, 6–14, and 17, or Appendices 1–3. See Additional Notes to Figures for Counts and Totals Methodology.

New Developments

Slack Technologies, Inc. v. Pirani

On June 1, 2023, the U.S. Supreme Court in *Slack Technologies, Inc. v. Pirani* reaffirmed the requirement under Section 11 that "[t]o bring a claim under § 11, the securities held by the plaintiff must be traceable to the registration statement alleged to be false or misleading."[1] In a unanimous decision, the Court remanded the case to the Ninth Circuit to determine whether the tracing requirement can be met in *Pirani*. Among other reasons, the Court observed that Section 11 "ties the maximum available recovery to the value of the registered shares alone."[2] The Court also noted that while direct listings may be new, Section 11's tracing requirement is not; and it is for Congress—not the Court—to revise the securities laws in response to direct listings or other new developments.

Lee v. Fisher

On June 1, 2023, the Ninth Circuit in *Lee v. Fisher* affirmed the district court's decision to dismiss a derivative Section 14(a) action filed against The Gap, rejecting the plaintiff's argument that a forum-selection provision in The Gap's bylaws is void and unenforceable.[3] The forum-selection provision mandates that derivative actions be brought in the Delaware Court of Chancery, but the plaintiff sued The Gap in California federal court. The plaintiff had argued that the provision would prevent her from bringing a derivative Section 14(a) claim in any forum, but the Ninth Circuit rejected this argument, holding that the provision only applies to *derivative* actions, and thus the plaintiff could still bring a *direct* Section 14(a) claim in federal court. The Ninth Circuit's decision in *Lee v. Fisher* is similar to rulings by California state courts enforcing forum-selection provisions that require that securities class action claims be litigated in federal courts. The issue may end up before the U.S. Supreme Court, as the Ninth Circuit's decision creates a split of authority with the Seventh Circuit.

Increased Legal and Regulatory Scrutiny of Cryptocurrency

As a result of last year's cryptocurrency market turmoil and high-profile bankruptcies (e.g., FTX, Celsius Network, Voyager, BlockFi, and Genesis), cryptocurrency has come under heightened scrutiny by U.S. regulators. As reported in Cornerstone Research's *SEC Cryptocurrency Enforcement: June 2023 Update*, the SEC brought 24 cryptocurrency-related enforcement actions between January and early June 2023, including actions against cryptocurrency exchanges Binance, Coinbase, Kraken, Bittrex, and Gemini. In 2023 H1, a number of securities class actions have been filed against cryptocurrency exchanges and other related parties.[4]

Amid these trends, cryptocurrency has continued to raise novel legal questions and challenges for market participants. In 2023 H1, there were more cryptocurrency filings related to non-fungible tokens (NFTs) than in previous periods, including a putative class action on behalf of purchasers of DraftKings NFTs alleging that these NFTs constitute unregistered securities and that defendants operate an unregistered securities exchange.[5]

On July 13, 2023, a New York federal judge in a milestone decision in *SEC v. Ripple Labs, Inc.* ruled that the blockchain firm's XRP token was a security when it was sold directly to institutional investors.[6] The court reasoned that the investors reasonably expected that Ripple would use the proceeds for the XRP ecosystem, which would likely result in an increase in the token's value. However, "programmatic sales" of the token "did not constitute the offer and sale of investment contracts" because "programmatic buyers," or those who purchased the tokens on cryptocurrency exchanges and through the use of trading algorithms, "could not have known if their payments of money went to Ripple or any other seller of XRP."[7]

1. Slack Technologies, Inc. et al. v. Pirani, 598 U.S. ___ (2023), slip op. at *7.
2. Ibid.
3. Lee v. Fisher, No. 21-15923 (9th Cir. June 1, 2023).
4. See, e.g., Sizemore v. Zhao, No. 1:23-cv-21261 (S.D. Fla.); Nanolabs, Inc. v. Coinbase Global, Inc., No. 3:23-cv-00844 (N.D. Cal.); Dasgupta v. Coinbase, Inc., No. 151843/2023 (N.Y. Sup. Ct.).
5. Dufoe v. DraftKings Inc., No. 1:23-cv-10524 (D. Mass.).
6. SEC v. Ripple Labs, Inc., No. 1:20-cv-10832 (S.D.N.Y. July 13, 2023).
7. Ibid., slip op. at **23, 25.

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.

Cyan refers to *Cyan Inc. v. Beaver County Employees Retirement Fund.* In this March 2018 opinion, the U.S. Supreme Court ruled that 1933 Act claims may be brought to state venues and are not removable to federal court.

De-SPAC Transaction refers to the transaction by which a SPAC acquires and merges with a previously private company, which assumes the SPAC's exchange listing.

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 2023 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. *(continued in next column)*

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 2023 dollars from the filing year using the Consumer Price Index for All Urban Consumers (CPI-U).

Filing lag is the number of days between the end of a class period and the filing date of the securities class action.

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. *(continued on next page)*

Maximum Dollar Loss Index® (MDL Index®), *continued*
Reported MDL is inflation-adjusted to 2023 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 SPAC, Cannabis, COVID-19, Cryptocurrency, Cybersecurity or Data Breach, and 2023 Banking Turbulence.

Sciabacucchi refers to *Salzberg v. Sciabacucchi*. On March 18, 2020, the Delaware Supreme Court held that forum-selection provisions in corporate charters requiring that some class action securities claims under the 1933 Act be adjudicated in federal courts are enforceable.

Securities Class Action Clearinghouse is an authoritative source of data and analysis on the financial and economic characteristics of federal securities fraud class action litigation, 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

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 2: 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. 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:

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

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.

Cannabis filings include companies financing, farming, distributing, or selling cannabis and cannabidiol products.

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.

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.

(continued in next column)

2023 Banking Turbulence filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023.

In 2023 H1, one filing against a SPAC also had cryptocurrency-related allegations and one filing had both 2023 Banking Turbulence allegations and cryptocurrency-related allegations. In 2022, two filings against SPACs also had cryptocurrency-related allegations. One filing against a SPAC also had COVID-19-related allegations and one filing involved in the 2023 Banking Turbulence trend category also had cryptocurrency-related allegations. In 2021, one filing had both cryptocurrency-related allegations and cybersecurity allegations. One filing against a cannabis company also had COVID-19-related allegations. In 2020, one filing against a SPAC also had cryptocurrency-related allegations. In 2018, one filing had cryptocurrency-related allegations and involved a company in the cannabis industry.

Figure 5: Summary of Cryptocurrency-Related Filings— Core Federal Filings

1. 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.
2. Crypto-Adjacent Companies include companies selling mining rigs and chips, companies attempting to enter the cryptocurrency space, and companies partnering with cryptocurrency companies to provide services.
3. Filings related to the issuance of NFTs are included in the "Coin Issuer" category.

Figure 10: 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 2016, 2017, 2019, and 2020, these filings represented 0.1% of U.S. exchange-listed companies. In 2009, 2010, 2013, 2015, and 2021, these filings accounted for less than 0.1% of U.S. exchange-listed companies.
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.

Figure 11: 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.

Figure 12: Dollar Loss on Offered Shares Index™ (DLOS Index™) for Federal Section 11–Only and State 1933 Act Filings

1. 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 cases that have parallel filings in both state and federal courts. As a result, counts underlying this figure may not match counts from all figures other than Figure 14. The numbers shown in this exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports.
2. 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.
3. Starting with the *Securities Class Action Filings—2021 Year in Review*, the DLOS methodology 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, instead the price the day after the complaint filing day was used), to using the difference between the offering price of the shares and their price on the filing date of the first identified complaint.

Figure 13: Semiannual Federal Section 11 and State 1933 Act Filings

1. The federal Section 11 filings displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.
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.

Figure 14: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance

1. The federal Section 11 data displayed may contain Rule 10b-5 claims, but state 1933 Act filings do not.
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. There was one federal court filing in 2019 related to both a merger-related issuance and SEO. This analysis categorizes this filing as relating to a merger-related issuance to avoid double-counting. Similarly, there was an SEO and other state filing in 2021 marked as SEO, a merger-related and other federal filing in 2022 marked as merger-related, and an IPO/SEO and other state filing in 2022 marked as IPO/SEO, all for the same reason.

Figure 16: Non-U.S. Filings by Location of Headquarters—Core Federal Filings

1. The "Asia" category includes filings for companies headquartered in Hong Kong.
2. In 2020, the definition for region was changed to use groupings set by the United Nations. As a result, counts in this figure may not match those in prior reports.

Appendices

Appendix 1: Filings Basic Metrics

	Class Action Filings	Core Filings	Disclosure Dollar Loss			Maximum Dollar Loss		
			DDL Total ($ Billions)	Average ($ Millions)	Median ($ Millions)	MDL Total ($ Billions)	Average ($ Millions)	Median ($ Millions)
1997 H1	79	79	$22	$325	$84	$103	$1,514	$767
1997 H2	95	95	$58	$679	$141	$178	$2,064	$786
1998 H1	115	115	$68	$656	$79	$166	$1,609	$515
1998 H2	127	127	$84	$719	$135	$257	$2,196	$635
1999 H1	126	126	$116	$1,050	$183	$269	$2,450	$626
1999 H2	83	83	$143	$1,934	$238	$403	$5,441	$835
2000 H1	111	111	$293	$3,051	$167	$593	$6,172	$792
2000 H2	105	105	$136	$1,416	$255	$766	$7,977	$1,740
2001 H1	103	103	$239	$2,571	$171	$1,727	$18,574	$1,717
2001 H2	77	77	$108	$1,539	$119	$874	$12,492	$1,141
2002 H1	109	109	$138	$1,329	$200	$1,588	$15,272	$2,412
2002 H2	115	115	$205	$2,071	$314	$1,917	$19,366	$2,642
2003 H1	105	105	$81	$832	$158	$565	$5,828	$895
2003 H2	87	87	$49	$665	$170	$404	$5,457	$614
2004 H1	111	111	$94	$1,052	$165	$517	$5,809	$732
2004 H2	117	117	$142	$1,337	$190	$681	$6,424	$1,012
2005 H1	109	109	$91	$980	$218	$392	$4,220	$728
2005 H2	73	73	$56	$886	$262	$186	$2,955	$808
2006 H1	65	65	$33	$605	$180	$196	$3,632	$629
2006 H2	55	55	$47	$931	$147	$258	$5,160	$669
2007 H1	69	69	$56	$978	$227	$257	$4,507	$1,146
2007 H2	108	108	$180	$1,818	$235	$789	$7,975	$978
2008 H1	111	111	$133	$1,925	$329	$677	$9,812	$2,015
2008 H2	113	113	$184	$2,389	$232	$493	$6,405	$1,482
2009 H1	82	79	$70	$1,852	$244	$503	$13,241	$1,683
2009 H2	82	78	$50	$791	$193	$284	$4,515	$1,333
2010 H1	71	58	$76	$1,661	$230	$491	$10,672	$1,028
2010 H2	103	77	$27	$449	$199	$183	$3,102	$551
2011 H1	94	73	$67	$1,020	$126	$358	$5,418	$524
2011 H2	95	73	$90	$1,308	$125	$365	$5,296	$935
2012 H1	88	81	$82	$1,129	$204	$340	$4,657	$899
2012 H2	66	61	$49	$886	$205	$207	$3,698	$725
2013 H1	75	68	$33	$539	$218	$153	$2,504	$700
2013 H2	90	84	$104	$1,348	$195	$215	$2,787	$709
2014 H1	80	73	$39	$563	$232	$131	$1,866	$707
2014 H2	90	85	$33	$428	$175	$156	$2,002	$670
2015 H1	102	85	$62	$748	$117	$164	$1,973	$529
2015 H2	115	98	$93	$977	$220	$374	$3,936	$835
2016 H1	128	101	$55	$580	$195	$488	$5,140	$1,335
2016 H2	160	103	$81	$838	$221	$598	$6,166	$1,354

Appendix 1: Filings Basic Metrics, *continued*

	Class Action Filings	Core Filings	Disclosure Dollar Loss			Maximum Dollar Loss		
			DDL Total ($ Billions)	Average ($ Millions)	Median ($ Millions)	MDL Total ($ Billions)	Average ($ Millions)	Median ($ Millions)
2017 H1	222	126	$92	$770	$186	$369	$3,101	$652
2017 H2	190	88	$66	$859	$245	$276	$3,591	$1,119
2018 H1	211	120	$196	$1,886	$285	$802	$7,714	$1,257
2018 H2	209	118	$210	$1,999	$492	$813	$7,746	$1,387
2019 H1	207	134	$211	$1,818	$219	$963	$8,299	$994
2019 H2	220	133	$129	$1,068	$301	$468	$3,867	$1,432
2020 H1	185	121	$134	$1,309	$194	$725	$7,108	$1,198
2020 H2	147	112	$191	$1,896	$230	$1,176	$11,645	$1,195
2021 H1	111	99	$92	$1,041	$428	$413	$4,689	$1,604
2021 H2	107	101	$220	$2,495	$477	$659	$7,488	$1,703
2022 H1	115	110	$505	$5,547	$367	$1,660	$18,237	$2,343
2022 H2	93	91	$117	$1,538	$185	$892	$11,743	$1,813
2023 H1	114	110	$170	$1,867	$285	$2,245	$24,672	$2,617
Semiannual Average 1997–2022	114	96	$114	$1,328	$217	$548	$6,452	$1,106

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, 12, 14–16, and 18, or Appendices 2, 4, and 5. 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 exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports.

Appendix 2: 1933 Act Filings in State Courts

1933 Act Filings in State Courts							
Year	California	New York	Texas	Massachusetts	Pennsylvania	Others	Total
2010	1	0	0	0	0	0	1
2011	3	0	0	0	0	0	3
2012	5	0	0	0	0	2	7
2013	1	0	0	0	0	0	1
2014	5	0	0	0	1	0	6
2015	15	0	0	2	0	0	17
2016	19	0	1	1	0	6	27
2017	7	0	1	0	1	4	13
2018	16	13	0	0	0	6	35
2019	15	19	2	1	3	12	52
2020	5	13	0	1	0	4	23
2021	1	10	0	0	0	1	12
2022	5	5	0	0	1	1	12
2023 H1	2	1	0	0	0	0	3
Average 2010–2022	8	5	0	0	0	3	16

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, totals in this analysis may not match Figures 1–3, 13, and 14, or Appendix 1. All Others contains filings in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Rhode Island, Tennessee, Utah, Washington, West Virginia, and Wisconsin. 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.

Appendix 3: Filings by Industry—Core Filings

(Dollars in 2023 billions)

Industry	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1
Consumer Non-Cyclical	27	38	30	25	$32	$61	$73	$25	$126	$234	$431	$176
Communications	14	11	10	13	$26	$371	$18	$31	$137	$945	$168	$949
Technology	12	15	10	14	$18	$22	$14	$24	$73	$151	$105	$143
Financial	15	5	6	18	$14	$23	$6	$35	$91	$110	$85	$160
Industrial	8	5	4	7	$9	$4	$1	$5	$34	$10	$27	$59
Consumer Cyclical	11	13	16	15	$8	$20	$3	$45	$46	$173	$63	$707
Energy	4	4	3	3	$3	$2	$1	$2	$20	$28	$11	$13
Basic Materials	3	3	2	2	$2	$2	$0	$0	$10	$5	$1	$2
Utilities	1	2	1	1	$1	$0	$0	$2	$7	$3	$1	$36
Unknown/Unclassified	2	14	9	12	$0	$0	$0	$0	$1	$0	$0	$0
Total	96	110	91	110	$114	$505	$117	$170	$545	$1,660	$892	$2,245

Note: Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this chart 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, 12, 14–16, and 18, or Appendices 2, 4, and 5. Sectors are based on the Bloomberg Industry Classification System. The MDL/DDL numbers shown in this exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports. Figures may not sum due to rounding.

Appendix 4: Filings by Circuit—Core Federal Filings

(Dollars in 2023 billions)

Circuit	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1	Semiannual Average 1997–2022	2022 H1	2022 H2	2023 H1
1st	4	2	1	3	$5	$2	$0	$5	$15	$34	$0	$17
2nd	28	37	36	27	$33	$56	$20	$27	$180	$248	$137	$142
3rd	9	7	9	18	$14	$2	$53	$13	$56	$8	$304	$96
4th	3	6	1	2	$2	$2	$1	$0	$9	$16	$3	$3
5th	5	4	3	5	$5	$0	$1	$2	$30	$18	$5	$32
6th	4	1	0	4	$5	$1	$0	$3	$20	$7	$0	$35
7th	4	3	4	2	$6	$19	$9	$1	$25	$26	$88	$1
8th	3	0	1	1	$2	$0	$9	$28	$9	$0	$51	$58
9th	25	31	28	33	$35	$404	$18	$81	$167	$1,217	$267	$1,700
10th	3	2	5	3	$2	$0	$6	$1	$9	$1	$35	$10
11th	7	7	1	11	$4	$0	$1	$8	$17	$8	$1	$142
D.C.	0	0	1	0	$1	$0	$1	$0	$2	$0	$1	$0
Total	94	100	90	109	$113	$487	$117	$168	$539	$1,583	$892	$2,237

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, 13, and 14, or Appendix 1. The MDL/DDL numbers shown in this exhibit have been inflation-adjusted to 2023 dollars and will not match prior reports. Figures may not sum due to rounding.

Appendix 5: Cryptocurrency-Related Filings by Defendant Type—Core Federal Filings

Cryptocurrency-Related Allegations Box Score—Core Federal Filings								
	2016	2017	2018	2019	2020	2021	2022	2023 H1
Coin Issuer	1	5	10	3	8	1	10	3
Cryptocurrency Exchange	0	0	2	0	5	4	10	6
Securitizer of Cryptocurrency	1	0	0	0	0	0	7	3
Cryptocurrency Miner	1	0	4	1	0	4	3	3
Cryptocurrency-Adjacent Company	0	0	2	1	1	3	2	2
Multiple Defendant Types	1	0	4	1	1	1	8	5
Total Cryptocurrency-Related Filings	1	5	14	4	13	11	23	11

Note: Counts may not sum to total cryptocurrency-related filings in a year because a filing can include multiple defendant types. The "Multiple Defendant Types" category includes filings that have more than one defendant type. Filings against defendants that allegedly owned, operated, or controlled cryptocurrency exchanges are categorized as cryptocurrency exchange filings. In 2023 so far, "Multiple Defendant Types" include two filings against an issuer and an exchange, one filing against an issuer, exchange, and securitizer, and two filings against an exchange and securitizer. In 2022, "Multiple Defendant Types" included one filing against an issuer and an exchange, three filings against an exchange and a securitizer, two filings against an issuer and a securitizer, one filing against an issuer and a crypto-adjacent company, and one filing against an issuer, exchange, and securitizer. In 2021, "Multiple Defendant Types" included one filing against an exchange and a crypto-adjacent company. In 2020, "Multiple Defendant Types" included one filing against an issuer and an exchange. In 2019, "Multiple Defendant Types" included one filing against an issuer and a miner. In 2018, "Multiple Defendant Types" included two filings against an issuer and an exchange, one filing against an issuer and a miner, and one filing against a miner and a crypto-adjacent company. In 2016, "Multiple Defendant Types" included one filing against an issuer, a miner, and a securitizer.

Research Sample

- The Securities Class Action Clearinghouse, cosponsored by Cornerstone Research and Stanford Law School, has identified 6,426 federal securities class action filings between January 1, 1996, and June 30, 2023 (securities.stanford.edu). The analysis in this report is based on data identified by Stanford as of July 12, 2023.

- 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 218 class action filings in state courts from January 1, 2010, to June 30, 2023.

The authors request that you reference Cornerstone Research and the Stanford Law School Securities Class Action Clearinghouse in any reprint of the information or figures included in this report.

Please direct any questions to:

Alexander Aganin
650.853.1660
aaganin@cornerstone.com

Cornerstone Research

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