An Idiot’s Guide to Class Actions

Wall Street and your stock holdings are now at the top of the lawsuit industry’s hit list. Here’s a page from the Securities Class Action Plaintiffs’ Lawyers’ playbook:

* Maintain large stable of gullible potential plaintiffs who won’t interfere with your case. Remember, it’s best not to have a real client.

* Create in-house consulting group to conceive seminars on how to expand opportunities for plaintiff suits – invite hedge funds, judges and regulators – great forum to exchange “ideas”.

* Have minions scour news reports for bad news about any company – use inventory of plaintiffs and a recycled complaint to file suit the next day. Accuse management of greed, lying, fraud, insider trading and suppressing bad news. Don’t worry that you have no evidence, you can manufacture that later. Generate plenty of stories in the press.

* Donate to key politicians directly, indirectly and through fronts and PACs to maintain access, stir up unwarranted investigations, generate Congressional hearings, get leaked corporate documents and secrets, circumvent discovery laws and prevent rational legal reform.

* Seek to create general impression with the public that most corporations and business people are out of control, greedy and not to be trusted.

* Drive stock price down further by press releases. Plant negative research reports, rumors and innuendo. The bigger the drop, the more the short sellers make, and, speculative damages get huge. Don’t worry that the drop in stock price harms investors, pension funds and 401Ks – that only leads to more plaintiffs and higher losses to support even higher damage claims.

* Cultivate relationships with disgruntled employees to develop leaks, stolen documents and misinformation. Feed negative rumors to the media to continue downward stock price spiral.

* Attempt to blackmail the target company and coerce settlement. Structure it so no one challenges your claim for over 30% in fees. Be sure to make it so complicated that no class member can understand that you get the money, and they get virtually nothing.

* Cash in on asbestos, tobacco, drugs and telecom. Make plans to move on to other target industries like food, recreation, education and transportation.

* Get rich...really rich, while destroying investor confidence in the market.

* Repeat all of the above quickly...before people finally wake up and understand the suckers’ game that plaintiffs’ lawyers, with some help from the short sellers, are perpetrating on the public...and before the system can be reformed.