

Class Action Group of the Year: Dentons

By Jonathan Randles



Law360, New York (January 23, 2015, 5:31 PM ET) -- Dentons attorneys defeated a proposed \$1 billion class action against Lincoln Benefit Life Co. that challenged its calculation of life insurance rates and beat class certification in a securities fraud suit against Genworth Financial Wealth Management Inc., earning the firm a spot among Law360's Class Action Groups of the Year.

Dentons partners Roger Heidenreich and Sandy Hauser credited the class action group's success over the last year to the firm's commitment to invest substantial resources into cases and its deep bench of attorneys to handle client matters. The firm also emphasizes bringing in attorneys with significant industry experience to manage client issues, they said.

"The class action practice has been a significant focus of our firm because class actions often represent our client's most important matter," Heidenreich said. "We try to bring every conceivable skill set we've got. That means we devote a large part of our group and make sure our very best lawyers are available for this work."

While Dentons' class action team handles a wide array of issues in multiple industries, the intersection of business know-how and legal expertise has been demonstrated repeatedly through its representation of major insurance and financial industry clients. Dentons has successfully represented MetLife, Genworth Financial, Lincoln Benefit and CUNA Mutual Group among others in class action matters.

Lincoln Benefit was accused of breaching the terms of a universal life policy it had issued to some 500,000 policyholders through its method for calculating the cost of the insurance rate in the policy. The named plaintiff claimed that by relying on undisclosed facts, Lincoln Benefit was able to increase its profit margin and decrease the actual cash value of the policy. The complaint sought billions in damages on behalf of policyholders, according to Dentons.

The case went up to the Seventh Circuit after a district court granted summary judgment in favor of Lincoln Benefit. The Seventh Circuit affirmed the decision in December 2013, saying in its opinion that it found Lincoln Benefit's reasoning that the way the policy was constructed allowed the insurer the discretion to calculate cost of insurance rates "more convincing" than the plaintiff's.

In the same month the Seventh Circuit's decision came down, Dentons also won dismissal of a nationwide class action against MetLife. In 2011, a plaintiff asserted claims related to administrative and

insurance costs. Dentons, however, successfully argued that the claims were covered in a previous settlement from 1999 and got the complaint dismissed with prejudice.

In the Genworth Financial case, Dentons defeated class certification in a case accusing the company and its former CEO of misrepresenting to investment clients material facts about its mutual funds and allocation strategies.

Investor Michael J. Goodman filed the complaint on May 24, 2010, alleging Genworth committed fraud under the Securities Exchange Act by falsely claiming it had an “exclusive partnership” with Brinker, host of the syndicated radio show "Moneytalk."

In April, U.S. District Judge Joseph Bianco denied a motion to certify a class of Genworth investors. Judge Bianco ruled that the plaintiffs failed to demonstrate common facts or common questions of law to allow the case to proceed as a class action. In July, the Second Circuit denied plaintiff's petition to appeal denial of class certification.

The success Dentons' class action group enjoyed over the previous 12 months is not an anomaly. Generally, Dentons manages anywhere between 50 to 100 class action matters at any one time, according to the firm. Of the approximately 250 litigators, around 100 will have a hand in class action matters, Hauser said.

“The work is coming from a lot of different partners,” Hauser said.

The momentum the class action practice has experienced has come as Dentons has expanded its footprint abroad. Aside from expanding its reach in Canada and Europe, the firm announced this week that it plans to merge with Dacheng, the biggest law firm in China, in a move that will create the largest global law firm by headcount, with more than 6,500 attorneys in over 50 countries.

Hauser, speaking before the planned Dacheng merger was announced, told Law360 that expanding into different countries has allowed Dentons to better manage client matters that span multiple jurisdictions. She said the more global reach will continue to benefit Dentons clients going forward.

“It's increased our ability to serve our clients,” Hauser said.

--Additional reporting by Lisa Ryan and Brandon Lowrey and David McAfee. Editing by Philip Shea.
