

Time to Settlement and Case Complexity

“In 2019, 15 percent of cases settled within two years of filing, consistent with the rate over the last 10 years. The average time from filing to settlement in 2019 was 3.3 years,” reports Laura E. Simmons and Laarni T. Bulan in *The National Law Review*.

“Compared to cases that settled more quickly, cases that required three to five years to settle in 2019 had a higher frequency of factors such as a public pension as a lead plaintiff and/or the presence of a corresponding SEC action.”

“Only 7 percent of cases in 2019 took more than five years to settle, the lowest rate in the past decade. Of these, 80 percent involved institutional investors. The median assets of the defendant firms in these cases were also substantially higher at \$68 billion, compared to a median of \$1.2 billion in other cases.”

“In 2019, cases that took more than five years to settle had a lower median settlement amount than cases that took three to five years to settle. This is despite the higher median “simplified tiered damages” of \$602 million for cases that took more than five years to settle, compared to \$375 million for cases that took three to five years to settle.”

Read the article.