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FOCUS AREAS

Direct & Opt-Out

Securities Fraud

Whistleblower

EDUCATION

Villanova University
B.S. 2003, *cum laude*

Temple University Beasley School of Law
J.D. 2006, *cum laude*, Staff Member—Temple Law Review

ADMISSIONS

Pennsylvania

New Jersey

USDC, Eastern District of Pennsylvania

USDC, Eastern District of Arkansas

USDC, Western District of Arkansas

USCA, First Circuit

USCA, Second Circuit

USCA, Eighth Circuit

USCA, Tenth Circuit

Richard A. Russo, Jr., a partner of the Firm, concentrates his practice in the area of securities litigation, and principally represents the interests of plaintiffs in class actions and complex commercial litigation.

Rick specializes in prosecuting complex securities fraud actions arising under the Securities Exchange Act of 1934 and the Securities Act of 1933, and has significant experience in all stages of pre-trial litigation, including drafting pleadings, litigating motions to dismiss and motions for summary judgment, conducting extensive document and deposition discovery, and appeals.

Rick has represented both institutional and individual investors in a number of notable securities class actions. These matters include In re Bank of America Securities Litigation, where shareholders' $2.43 billion recovery represents one of the largest recoveries ever achieved in a securities class action and the largest recovery arising out of the 2008 subprime crisis; In re Citigroup Inc. Bond Litigation, where the class's $730 million recovery was the second largest recovery ever for claims brought under Section 11 of the Securities Act of 1933; and In re Lehman Brothers, where shareholders recovered $616 million from Lehman's officers, directors, underwriters and auditors following the company's bankruptcy filing.

Rick is currently representing shareholders in high-profile securities fraud actions against General Electric, Precision Castparts Corp., Kraft Heinz Corp. and Luckin Coffee Co. Rick has also assisted in prosecuting whistleblower actions and patent

USDC, District of New Jersey

infringement matters.

In 2016, Rick was selected as an inaugural member of Benchmark Litigation's Under 40 Hot List, an award meant to honor the achievements of the nation's most accomplished attorneys under the age of 40. Rick was again selected as a member of the 40 & Under Hot List in 2018, 2019, and 2020. Rick has also been selected by his peers as a Pennsylvania Super Lawyers Rising Star on five occasions.

Current Cases

- Carnival Corp.

CASE CAPTION	*In re Carnival Corp. Securities Litigation*
COURT	United States District Court for the Southern District of Florida
CASE NUMBER	1:20-cv-22202-KMM
JUDGE	Honorable K. Michael Moore
PLAINTIFF	Massachusetts Laborers' Pension and Annuity Funds, New England Carpenters Pension & Guaranteed Annuity Funds, & Michael W. Slaunwhite
DEFENDANTS	Carnival Corp., Carnival plc, and Arnold W. Donald
CLASS PERIOD	September 16, 2019 to March 31, 2020

This securities fraud class action concerns Defendants' statements touting Carnival's compliance with health and safety requirements and related protocols and with respect to the risk and impact of COVID-19 on its passengers, crew, and business. Carnival is the world's largest cruise operator, carrying nearly half of the world's cruise passengers on voyages around the world on over 100 ships across nine cruise lines. At the start of the Class Period, Defendants announced the creation of Carnival's Incident Analysis Group (the "IAG"). The Company tasked the IAG with making recommendations to enhance Carnival's Health, Environment, Safety, and Security ("HESS") policies and procedures and developing programs to standardize training and investigation of the Company's HESS issues.

The worldwide COVID-19 pandemic illustrated that Carnival's HESS policies, Defendants' statements touting their commitment to their

passengers' and crew members' health safety, and the Company's commitment to keeping its ships "free of . . . illness" were ultimately false. As COVID-19 spread throughout the world in the early months of 2020, unbeknownst to investors, Carnival's policies, procedures, and infrastructure were insufficient, if existent at all. Rather than publicly acknowledging the risks posed by the coronavirus and that its policies, procedures, and protocols were insufficient to address them, Carnival publicly projected a "business as usual" narrative. Specifically, Carnival kept its ships full and on the water, continued to sell cruise tickets, and limited customers' access to refunds. All the while, Carnival's deficient health and safety protocols created all manner of problems on its ships, which ultimately proved to be virulent breeding grounds for the virus, causing severe illness and death among its passengers.

Despite Defendants' falsely optimistic outlook on Carnival's ability to contain the coronavirus and the potential effects of the virus on their business, the relevant truth began to emerge in mid-March. First, on March 16, 2020, Defendants disclosed publicly what they had known since late January: that COVID-19 would have a "material negative impact on [Carnival's] financial results and liquidity," and while the Company would be "unable to provide an earnings forecast," it "expect[ed] results of operations for the fiscal year ending November 30, 2020 to result in a net loss." The price of both Carnival common stock and Carnival ADSs declined by over 12% on this news. Then, on March 31, 2020, Defendants comprehensively revised the risk factors contained in the Company's Form 10-K. These new risk factors finally divulged the true and extremely serious risks that the coronavirus pandemic posed to Carnival's business as a result of Defendants' inability to implement adequate policies, procedures, and protocols to safeguard passengers' and employees' health and safety. On this news, shares of Carnival common stock declined by 34%, and the price of Carnival ADSs declined by a similar amount.

Plaintiffs' filed the Second Amended Class Action Complaint on July 2, 2021. Defendants' motion to dismiss is fully briefed and pending before the Court.

Read Second Amended Class Action Complaint Here

- General Electric Company

CASE CAPTION	*Sjunde AP-Fonden, et al., v. General Electric Company, et al.*
COURT	United States District Court for the Southern District of New York
CASE NUMBER	1:17-cv-08457-JMF

JUDGE	Honorable Jesse M. Furman
PLAINTIFF	Sjunde AP-Fonden and The Cleveland Bakers and Teamsters Pension Fund
DEFENDANTS	General Electric Company and Jeffrey S. Bornstein
CLASS PERIOD	March 2, 2015 through January 23, 2018, inclusive

This securities fraud class action case arises out of alleged misrepresentations made by General Electric ("GE") and its former Chief Financial Officer, Jeffrey S. Bornstein (together, "Defendants"), regarding the use of factoring to conceal cash flow problems that existed within GE Power between March 2, 2015, and January 24, 2018 (the "Class Period").

GE Power is the largest business in GE's Industrials operating segment. The segment constructs and sells power plants, generators, and turbines, and also services such assets through long term service agreements ("LTSAs"). In the years leading up to the Class Period, as global demand for traditional power waned, so too did GE's sales of gas turbines and its customer's utilization of existing GE-serviced equipment. These declines drove down GE Power's earnings under its LTSAs associated with that equipment. This was because GE could only collect cash from customers when certain utilization levels were achieved or upon some occurrence within the LTSA, such as significant service work.

Plaintiffs allege that in an attempt to make up for these lost earnings, GE modified existing LTSAs to increase its profit margin and then utilized an accounting technique known as a "cumulative catch-up adjustment" to book immediate profits based on that higher margin. In most instances, GE recorded those cumulative catch-up earnings on its income statement long before it could actually invoice customers and collect cash under those agreements. This contributed to a growing gap between GE's recorded non-cash revenues (or "Contract Assets") and its industrial cash flows from operating activities ("Industrial CFOA").

In order to conceal this increasing disparity, Plaintiffs allege that GE increased its reliance on receivables factoring (i.e., selling future receivables, including on LTSAs, to GE Capital or third parties for immediate cash). Through factoring, GE pulled forward future cash flows and, in light of the steep concessions it often agreed to in order to factor a receivable, traded away future revenues for immediate cash. In stark contrast to the true state of affairs within

GE Power—and in violation of Item 303 of Regulation S-K—GE's Class Period financial statements did not disclose material facts regarding GE's factoring practices, the true extent of the cash flow problems that GE was attempting to conceal through receivables factoring, or the risks associated with GE's reliance on factoring. Rather, Defendants affirmatively misled investors about the purpose of the Company's factoring practices, claiming that such practices were aimed at managing credit risk, not liquidity

Eventually, however, GE could no longer rely on this unsustainable practice to conceal its weak Industrial cash flows. As the truth was gradually revealed to investors—in the form of, among other things, disclosures of poor Industrial cash flows, massive reductions in Industrial CFOA guidance, and a dividend cut that was attributable in part to weaker-than-expected Industrial cash flows—GE's stock price plummeted, causing substantial harm to Plaintiffs and the Class.

In January 2021, the Court sustained Plaintiffs' claims based on allegations that GE failed to disclose material facts relating its practice of and reliance on factoring, in violation of Item 303, and affirmatively misled investors about the purpose of GE's factoring practices. Fact discovery in the case is ongoing and is currently scheduled to conclude in February 2022.
Read Fifth Amended Consolidated Class Action Complaint Here
Read Opinion and Order Granting and Denying in Part Motion to Dismiss Here

- Kraft Heinz Company

CASE CAPTION	*In re re Kraft Heinz Securities Litigation*
COURT	United States District Court for the Northern District of Illinois
CASE NUMBER	1:19-cv-01339
JUDGE	Honorable Robert M. Dow, Jr.
PLAINTIFF	Union Asset Management Holding AG, Sjunde Ap-Fonden, and Booker Enterprises Pty Ltd.
DEFENDANTS	The Kraft Heinz Company ("Kraft" or the "Company"), 3G Capital Partners, 3G Capital, Inc., 3G Global Food Holdings, L.P., 3G Global Food Holdings GP LP, 3G Capital Partners LP,

3G Capital Partners II LP, 3G Capital Partners Ltd., Bernardo Hees, Paulo Basilio, David Knopf, Alexandre Behring, George Zoghbi, and Rafael Oliveira

CLASS PERIOD

November 5, 2015 through August 7, 2019, inclusive

This securities fraud class action case arises out Defendants' misstatements regarding the Company's financial position, including the carrying value of Kraft Heinz's assets, the sustainability of the Company's margins, and the success of recent cost-cutting strategies by Kraft Heinz.

Kraft Heinz is one of the world's largest food and beverage manufacturer and produces well-known brands including Kraft, Heinz, Oscar Mayer, Jell-O, Maxwell House, and Velveeta. The Company was formed as the result of the 2015 merger between Kraft Foods Group, Inc. and H.J. Heinz Holding Corporation. That merger was orchestrated by the private equity firm 3G Capital ("3G") and Berkshire Hathaway with the intention of wringing out excess costs from the legacy companies. 3G is particularly well-known for its strategy of buying mature companies with relatively slower growth and then cutting costs using "zero-based budgeting," in which the budget for every expenditure begins at $0 with increases being justified during every period.

Plaintiffs allege that Kraft misrepresented the carrying value of its assets, sustainability of its margins, and the success of the Company's cost-cutting strategy in the wake of the 2015 merger. During the time that Kraft was making these misrepresentations and artificially inflating its stock price, Kraft's private equity sponsor, 3G Capital, sold $1.2 billion worth of Kraft stock.

On February 21, 2019, Kraft announced that it was forced to take a goodwill charge of $15.4 billion to write-down the value of the Kraft and Oscar Mayer brands—one of the largest goodwill impairment charges taken by any company since the financial crisis. In connection with the charge, Kraft also announced that it would cut its dividend by 36% and incur a $12.6 billion loss for the fourth quarter of 2018. That loss was driven not only by Kraft's write-down, but also by plunging margins and lower pricing throughout Kraft's core business. In response, analysts immediately criticized the Company for concealing and "push[ing] forward" the "bad news" and characterized the Company's industry-leading margins as a "façade."

Heightening investor concerns, Kraft also revealed that it received a subpoena from the U.S. Securities and Exchange Commission in the same quarter it determined to take this write-down and was

conducting an internal investigation relating to the Company's side-agreements with vendors in its procurement division. Because of this subpoena and internal investigation, Kraft was also forced to take a separate $25 million charge relating to its accounting practices. Plaintiffs allege that because of the Company's misrepresentations, the price of Kraft's shares traded at artificially-inflated levels during the Class Period.
Plaintiffs' complaint was filed on January 6, 2020. Defendants' filed their motions to dismiss on March 6, 2020. Plaintiffs moved to amend their complaint based on new information regarding Kraft's internal EBITDA projections, and filed their amended complaint on August 14, 2020. On August 11, 2021, The Honorable Robert M. Dow, Jr. sustained Plaintiffs' complaint. The case is now in discovery.
Read Consolidated Amended Class Action Complaint Here
Read Opinion and Order Denying Motion to Dismiss Here

- Luckin Coffee Inc.

CASE CAPTION	*In re Luckin Coffee Inc. Securities Litigation*
COURT	United States District Court for the Southern District of New York
CASE NUMBER	1:20-cv-01293-LJL-JLC
JUDGE	Honorable John P. Cronan
PLAINTIFF	Sjunde AP-Fonden and Louisiana Sheriffs' Pension & Relief Fund
DEFENDANTS	Luckin Coffee, Inc. ("Luckin" or "the Company"), Charles Zhengyao Lu, Jenny Zhiya Qian, Jian Liu, Reinout Hendrik Schakel (collectively "Executive Defendants" and together with Luckin, "Exchange Act Defendants"). Hui Li, Erhai Liu, Jinyi Guo, Sean Shao, Thomas P. Meier (collectively "Director Defendants"). Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, China International Capital Corporation Hong Kong Securities Limited, Needham &

Company, LLC , Haitong International Securities Company Limited, & KeyBanc Capital Markets Inc. (collectively, "Underwriter Defendants").

CLASS PERIOD May 17, 2019 – April 1, 2020

This securities fraud class action arises out of Defendants' misrepresentations and omissions concerning the financial status of the Chinese coffee company Luckin Coffee, Inc. During the class period, Luckin promoted a sales model wherein it would operate at a loss for several years for the purpose of gaining market share by opening thousands of app-based quick -serve coffee kiosks throughout China. Between 2017 and 2018, Luckin claimed its number of stores increased from just nine to 2,073 stores. It also claimed that its total net revenues grew from $35,302 to $118.7 million in that same period.

On May 17, 2019 Luckin, through an initial public offering (IPO) offered 33 million ADSs to investors at a price of $17.00 per ADS, and reaped over $650 million in gross proceeds. On January 10, 2020 Luckin conducted an SPO of 13.8 million ADSs pried at $42.00 each, netting another $643 million for the company. Unbeknownst to investors, however, Luckin's reported sales, profits, and other key operating metrics were vastly inflated by fraudulent receipt numbering schemes, fake related party transactions, and fraudulent inflation of reported costs, among other methods of obfuscating the truth. Following a market analyst's report wherein the sustainability of Luckin's business model and the accuracy of its reported earnings were challenged, after conducting an internal investigation, Luckin ultimately admitted to the fraud.

Plaintiffs filed a 256 page complaint alleging violations of Section 10(b) of the Securities Exchange Act against the Exchange Act Defendants, violations of Section 20(a) of the Exchange Act against the Executive Defendants, violations against Section 11 of the Securities Act against all Defendants, violations of Section 15 of the Securities Act against the Executive Defendants and the Director Defendants, and violations of Section 12(a)(2) of the Securities Act against the Underwriter Defendants. As alleged, following a series of admissions from Luckin and Defendant Lu admitting the existence and scope of the fraud, Luckin's share price dropped from $26.20 to $1.38 per share, before ultimately being delisted. Luckin is currently undergoing liquidation proceedings in the Cayman Islands, where it is incorporated. Luckin also filed for Chapter 15 bankruptcy in the Southern District of New York. The Underwriter Defendants and Thomas Meier, an outside director filed motions to dismiss the Complaint which are pending. None of the Executive Defendants or any other Director Defendants have

appeared in this Action and all are residents of the PRC. They were served pursuant to the Hague Convention.
On October 26, 2021, Lead Plaintiffs reached a $175 million settlement with Luckin to resolve all claims against all Defendants. More information regarding the settlement can be found here.
Read Consolidated Class Action Complaint Here
Read Order Granting Motion for Preliminary Approval Here

News

- August 19, 2021 - Claims Against Kraft Heinz and 3G Capital Arising From Unprecedented $15.4 Billion Writedown Proceed to Discovery
- October 1, 2020 - Kessler Topaz Meltzer & Check, LLP Once Again Included in the Benchmark Litigation Guide to America's Leading Litigation Firms and Attorneys for 2021
- September 24, 2019 - Kessler Topaz Meltzer & Check, LLP Once Again Included in the Benchmark Litigation Guide to America's Leading Litigation Firms and Attorneys for 2020
- May 8, 2017 - Kessler Topaz Again Named Class Action Litigation Department of the Year by The Legal Intelligencer
- January 3, 2017 - Kessler Topaz Again Named One of America's Leading Litigation Firms by Benchmark Litigation
- April 1, 2015 - Brazilian Oil Giant Petrobras Engulfed in Massive Corruption Scandal, Investors Bring Suit

Awards/Rankings

- Benchmark Future Stars, 2020 & 2021
- Benchmark Litigation Under 40 Hot List, 2020
- Benchmark Litigation Under 40 Hot List, 2016
- Pennsylvania Super Lawyers Rising Star, 2012-2016