

## Simpson Thacher Defeats Objection to Securities Class Settlement by Federal Housing Finance Agency

03.24.22



On March 14, 2022, the Firm won a ruling by the Second Circuit rejecting an objection by the Federal Housing Finance Agency, as conservator for Freddie Mac, to a \$165 million residential mortgage-backed securities class action settlement. The lawsuit was one of the first RMBS class action lawsuits, filed in 2008, and was settled by Firm clients RBS Securities Inc., Deutsche Bank Securities Inc. and Wells Fargo Advisors, LLC, in 2017. The largest settlement class member, Freddie Mac, attempted to opt out of the settlement after the Court-ordered deadline. FHFA and Freddie Mac also objected to the settlement, arguing—over the course of four years and two appeals—that the district court did not have authority to bind Freddie Mac to the class settlement, as doing so interfered with FHFA’s exercise of its conservatorship powers and functions. The Second Circuit’s ruling rejected all of FHFA’s arguments, keeping the settlement intact and binding Freddie Mac to its terms.

The Simpson Thacher team included Alan Turner (who argued the appeal), John Robinson and Melanie Jolson, and more than 20 former colleagues over the past 14 years including Retired Partner Tom Rice and Associates Chris Lee, Magdey Abdallah, Mark Feaster, Mark Curtis and Jason Meltzer.

### Team and Contacts

[Alan Turner](#)

Partner

[aturner@stblaw.com](mailto:aturner@stblaw.com)

+1-212-455-2472



