

Florida Court Rejects Milberg Weiss Class Action Settlement

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A Florida trial court reportedly has denied approval of a proposed class action settlement of the Florida Progress Corporation shareholder derivative action pursued by Milberg Weiss Bershad Hynes & Lerach. According to press reports, the shareholder derivative suit alleged that the members of the board of directors breached their fiduciary duties in connection with the merger between Florida Progress and Carolina Power & Light Co. The court rejected the proffered settlement, finding that there was "no good-faith basis for commencement of the action," there was a lack of "vigor" in prosecuting the action, and the release of the corporation in the settlement was unduly broad. The court reportedly concluded that the derivative action and resulting settlement had no impact on the class members and that they "are in precisely the same financial and legal position today, as they would have been had this litigation never been filed." An article in *The Reporter* stated that the court analogized the pursuit of the case as akin to "squeegee boys," observing: "This action appears to be the class litigation equivalent of the 'squeegee boys' who used to frequent major urban intersections and who would run up to a stopped car, splash soapy water on its perfectly clean windshield and expect payment for the uninvited service of wiping it off."