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IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

GEORGE McREYNOLDS, on behalf	)	
of himself and all others	)	
similarly situated, et al.,	)	
	)	
Plaintiffs,	)	
	)	No. 05 C 6583
vs.	)	Chicago, Illinois
	)	December 6, 2013
MERRILL LYNCH, PIERCE, FENNER &	)	10:00 a.m.
SMITH, INCORPORATED,	)	
	)	
Defendant.	)	

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE ROBERT W. GETTLEMAN

APPEARANCES:

For the Plaintiffs:	STOWELL & FRIEDMAN, LTD. BY: MS. LINDA D. FRIEDMAN MR. GEORGE S. ROBOT MS. SUZANNE E. BISH 303 West Madison Street Suite 2600 Chicago, Illinois 60606 (312) 431-0888
For the Defendant:	WEIL, GOTSHAL & MANGES LLP BY: MR. JEFFREY S. KLEIN MR. JARED R. FRIEDMANN MS. CELINE CHAN 767 Fifth Avenue New York, New York 10153 (212) 310-8000
Official Court Reporter:	NANCY L. BISTANY, CSR, RPR, FCRR 219 South Dearborn Street, Room 1706 Chicago, Illinois 60604 (312) 435-7626 <i>nancy_bistany@ilnd.uscourts.gov</i>

1 (Proceedings in open court.)

2 THE CLERK: 05 C 6583, George McReynolds versus Merrill  
3 Lynch.

4 MS. FRIEDMAN: Good morning, your Honor.

5 Linda Friedman, Suzanne Bish, George Robot on behalf of  
6 the plaintiffs.

7 MR. KLEIN: Good morning, your Honor.

8 Jeffrey Klein, Jared Friedmann, Celine Chan for Merrill  
9 Lynch.

10 THE COURT: Well, we've got a full house today anyway,  
11 don't we? All right. This is here on the motion to approve the  
12 final settlement. The only objection I got was from Mr. Gunn,  
13 who is not here and keeps calling us to tell us he has sent  
14 things that we've never gotten, motions that I've never seen and  
15 are not on the docket. But I will take his initial objection.  
16 I've reviewed that, and I've reviewed the responses to it.

17 Do you have anything to add, anybody? Don't be shy.  
18 Don't sit down. Come on, stay up there.

19 MS. FRIEDMAN: We do not, your Honor.

20 MR. KLEIN: Nothing, your Honor. I think it's pretty  
21 clearly set forth in our papers.

22 THE COURT: I think it's pretty obvious. The man had a  
23 claim that was settled. He received some money. He signed a  
24 release. I don't see how he has standing to object, and his  
25 objections didn't make any sense anyway.

1 (Baby crying.)

2 THE COURT: Was that an objection?

3 MS. FRIEDMAN: That was a cheer.

4 THE COURT: We'll overrule that objection.

5 And while I'm overruling objections, I'll overrule  
6 Mr. Gunn's as well. That takes care of Mr. Gunn.

7 All right. The next order of business, there's a lot of  
8 people here for a very, I think, pro forma kind of thing. I've  
9 reviewed everything that you've given me; the petition to sign  
10 the final approval order, the fee petition, the award to the  
11 class members and the committee members. And the only objection  
12 we had is that one objection, right? We had --

13 MS. FRIEDMAN: That's correct, your Honor.

14 THE COURT: And one opt-out?

15 MS. FRIEDMAN: Yes, your Honor. And the opt-out also  
16 has fully litigated his claims.

17 THE COURT: So there's very little opposition here. In  
18 fact, there's no opposition, and I see no reason to add to any  
19 opposition myself. So --

20 MS. FRIEDMAN: Thank you, Judge.

21 THE COURT: -- Ms. Friedman?

22 MS. FRIEDMAN: We just wanted to say that it's with  
23 great pride and pleasure that we're here today to present a  
24 settlement, and we think that this settlement embodies everything  
25 that is good and important about Rule 23 and class litigation.

1           And our class representatives, as you know, your Honor,  
2 the oldest of which is 69 years old, likely won't --

3           THE COURT: That's not so old, Ms. Friedman.

4           MS. FRIEDMAN: I understand. He likely will --

5           THE COURT: The prime of life, actually.

6           MS. FRIEDMAN: Yes, Judge. He likely, as well as the  
7 rest of the class representatives, will not derive much of a  
8 benefit from the programmatic relief, but through this class  
9 action, they have ensured that there is a mechanism to change  
10 Wall Street and corporate America and to pave the way for the  
11 potential for equal employment opportunity.

12           And we just wanted to thank the Court for your years of  
13 patience. We know we pushed the limit a number of times, but we  
14 appreciate the Court's willingness always to hear us, and also to  
15 thank our colleagues for being able to shift gears quickly and  
16 join us in trying to make a settlement that will be meaningful  
17 and bring about reform.

18           And on behalf of the class reps, Judge, it is our  
19 greatest honor to ask your Honor to award the bonuses, because  
20 the service is extraordinary and unprecedented. So I will speak  
21 more to that, but I know we've submitted the declarations, and  
22 your Honor indicated that you read them, which I think does  
23 emphasize the amount of work and the care that was put in by this  
24 extraordinary group of people, most of whom are here today, your  
25 Honor.

1 THE COURT: Good. Well, welcome.

2 MR. KLEIN: Judge, I just wanted to add. It's nice to  
3 end on something which Ms. Friedman and I can agree on other than  
4 bringing this matter to a resolution.

5 We've all spent a lot of time, and you've probably  
6 gotten to know us a lot better than you would care to, and you  
7 and your clerks have hurt your backs from the weight of the  
8 papers we've filed. But we all want to say thank you for the  
9 time and attention that you've given all of us when we've come to  
10 court and the care to the papers over many, many, many years.

11 So on behalf of all us, our appreciation to the Court  
12 and to your clerks and to your staff, and thank you.

13 THE COURT: Well, that's nice of you to say that. It's  
14 our job, so you don't have to thank us. It's what we get paid  
15 for.

16 I guess I just want to add a couple of thoughts, and  
17 since everybody is here, maybe it's an appropriate time to do  
18 that.

19 These types of cases are sometimes settled for nuisance  
20 value. They're settled to enrich the lawyers. They're settled  
21 to get them behind the companies involved and the people  
22 involved, and they leave a bad taste sometimes in the mouths of  
23 other members of the class, other people in the public, and, in  
24 fact, the Court itself.

25 This is not one of those cases. This is a case that's

1 been hard fought from day one. There were some very difficult  
2 issues besides the ones that I think most of the folks here have  
3 identified in their own lives about the discrimination they felt  
4 they suffered. This is something that we didn't have to  
5 adjudicate. We had a trial set for next month, actually, to  
6 begin --

7 (Cell phone interruption.)

8 THE COURT: Please turn off your phones, folks. It's  
9 very, very annoying.

10 We had a trial set for next month in which we would  
11 actually have gotten to the merits of those claims. I think they  
12 were serious claims. I don't think Merrill Lynch ever took them  
13 as anything but serious claims, although they denied  
14 discrimination. It's very complicated because of the nature of  
15 this industry, the type of folks that were involved. This wasn't  
16 a consumer class that involves everybody who buys pencils or cars  
17 or that sort of thing. These were people who were sophisticated  
18 investment advisors and counselors for their clients, and that  
19 certainly would have complicated any type of trial.

20 Whether this was to proceed as a class action at all was  
21 a very difficult decision. I know that Ms. Friedman and her  
22 colleagues I think did an extraordinary job in pursuing this as a  
23 class action and took what might have been viewed by some as a  
24 bad precedent from the Supreme Court and turned it on its head  
25 and made it a good precedent for this case and demonstrated to

1 the Court of Appeals and, frankly, to me how that case could be  
2 used to proceed as a class action so that all of you could  
3 benefit as a class.

4           And to me, that is the most remarkable achievement that  
5 Ms. Friedman and Ms. Bish and her colleagues have --

6           (Applause.)

7           THE COURT: I guess I should say, originally I disagreed  
8 with that position.

9           (Laughter.)

10           THE COURT: And I think we would have encountered a lot  
11 of difficulties trying this case. Because of the difficulties  
12 that I identified when I first denied class certification, I  
13 think it would have been a real challenge, and it would have  
14 taken an extraordinary amount of time. And it would have also  
15 involved a lot of risk, because if we had tried it without a  
16 settlement, I think that there were a lot of issues that could  
17 have been taken up to the Court of Appeals that might have  
18 delayed -- at least delayed things a long, long time. So as far  
19 as the litigation is concerned, my hat is off to the plaintiffs'  
20 lawyers for that.

21           And the class representatives have shown me through  
22 their declarations and the years of dedication to this case  
23 that -- I agree with Ms. Friedman's description -- I don't know  
24 if it's unprecedented. To me it's certainly unprecedented, and  
25 to have that type of involvement and activity by named plaintiffs

1 is unusual; but in this case, it's something that I would have --  
2 I'm not surprised to see because of the nature of the folks  
3 involved. So you should be proud of the work that you did as  
4 well.

5           As far as Merrill Lynch is concerned, I think the way  
6 that they approached the settlement, not just for the money,  
7 which, you know, is a lot of money to most of us. To Merrill  
8 Lynch it may not be as much money as the zeros indicate, but it's  
9 still a lot of money. But more than that, I think there's a  
10 certain recognition that there has to be some type of  
11 institutional reform here so that we don't repeat this again.

12           (Applause.)

13           THE COURT: The plaintiffs are clapping for you. I just  
14 want you to know that.

15           MR. KLEIN: I doubt it, your Honor.

16           (Laughter.)

17           THE COURT: Well, you know, there's still a lot of work  
18 to be done. And as the fee petition points out, the fee award is  
19 going to be the fee award, so that they're not going to seek  
20 extra fees. And there's, I have a feeling, a lot of work, and  
21 there might be some wrinkles along the way, folks. So don't  
22 think that everything like this is just going to work out;  
23 everybody is always going to be happy with everything that  
24 happens here. But that's the nature of this type of reform.

25           But the fact that there is going to be reform, the fact

1 that they've taken this step and that they've in a way opened the  
2 door to the type of dialogue that you're going to see in the  
3 years ahead really I think is a huge step, and I hope that it  
4 does filter through the entire industry.

5 I don't have a Merrill Lynch account. If I did, I  
6 probably wouldn't have taken the case. But I do have a brokerage  
7 account with another firm. And this case has made me think, you  
8 know, what's going on there? I won't mention it. My broker  
9 happens to be my cousin, so I can't --

10 (Laughter.)

11 THE COURT: -- I can't complain too loudly. But it  
12 does -- now that this case is over, I can actually talk to him  
13 about, you know, what's going on at your firm?

14 Maybe this is a good model for the entire industry, and  
15 it's certainly a good model for our country that recognizes the  
16 past vestiges of discrimination are something that we constantly  
17 have to be vigilant about combatting and providing appropriate  
18 remedies, and this case certainly does that.

19 So that's my speech. Congratulations to both sides, to  
20 the folks who are here. Do you have an order for me to sign?  
21 The one that I have here was an exhibit to your -- if you  
22 don't --

23 MS. FRIEDMAN: One moment, your Honor.

24 THE COURT: If you don't, we can pull it. We can pull  
25 it.

1 (Discussion was had off the record.)

2 THE COURT: Folks, folks, what you can do is just drop  
3 the -- oh, you do have it?

4 MS. FRIEDMAN: We have four of them, your Honor, as  
5 always, four different iterations that we're picking. And it's  
6 version A. If you want to take a look at it for a second.

7 MR. KLEIN: Can we just submit it to your Honor? There  
8 are multiple choice versions here.

9 THE COURT: There are? I'll tell you what. Why don't  
10 we do this. We'll adjourn, folks, and the lawyers will make sure  
11 I get the right one to sign. It's the same one that was attached  
12 to your --

13 MS. FRIEDMAN: It is. We just added a little bit of  
14 language regarding the objection.

15 THE COURT: Oh, okay. All right. Then find the right  
16 order, bring it back to chambers, and I'll sign it.

17 MS. FRIEDMAN: Thank you.

18 THE COURT: All right.

19 MR. KLEIN: Thank you, your Honor.

20 THE COURT: The Court will be adjourned. Thank you for  
21 coming, folks.

22 MS. FRIEDMAN: Thank you, your Honor.

23 (Proceedings concluded.)

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C E R T I F I C A T E

I, Nancy L. Bistany, do hereby certify that the foregoing is a complete, true, and accurate transcript of the proceedings had in the above-entitled case before the Honorable ROBERT W. GETTLEMAN, one of the judges of said Court, at Chicago, Illinois, on December 11, 2013.

/s/ Nancy L. Bistany, CSR, RPR, FCRR

Official Court Reporter  
United States District Court  
Northern District of Illinois  
Eastern Division