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June 25, 2015

VIA ECF

Mr. Michael E. Gans
Clerk of Court
United States Court of Appeals
For the Eighth Circuit
Thomas F. Eagleton Courthouse
111 South 10th Street, Room 24.329
St. Louis, MO 63102

Re: *IBEW Local 98 Pension Fund, et al. v. Best Buy Co., Inc., et al.*
No. 14-3178
Submission of *Glickenhau & Co. v. Household Int'l, Inc.*, No. 13-3532, ___ F.3d ___,
2015 U.S. App. LEXIS 8424 (7th Cir. May 21, 2015)

Dear Mr. Gans:

The Seventh Circuit recently confirmed that when a fraudulent statement maintains an already-inflated stock price, the price impact will be observed when the fraud is disclosed. *Glickenhau*, 2015 U.S. App. LEXIS 8424, at *8-*10. “The best way to determine the impact of a false statement is to observe what happens when the truth is finally disclosed and use that to work backward.” *Id.*

Defendants’ appeal depends on the contrary assertion that “the absence of a stock price change on the misrepresentation date, in itself, establishes that the misrepresentation has no price impact.” (AOB24; *see also* ARB13) Defendants insist the “maintenance theory of price impact relied upon by the district court is irreconcilable with recent Supreme Court securities law decisions.” (AOB Summary of the Case)

Their position was inaccurate when the district court ruled. (A361 (quoting *Schleicher v. Wendt*, 618 F.3d 679, 683 (7th Cir. 2010))) The Seventh Circuit confirms that, after *Halliburton Co. v. Erica P. John Fund, Inc.*, ___ U.S. ___, 134 S. Ct. 2398 (2014), defendants’ position remains inaccurate. “It’s tempting to think that inflation can be measured by observing what happens to the stock immediately after a false statement is made. But that assumption is often wrong.” *Glickenhau*, 2015 U.S. App. LEXIS 8424, at *8-*9. “[T]he movement of a stock price

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immediately after a false statement often tells us very little about how much inflation the false statement caused.” *Id.* at *9. This is true no matter “how the inflation was introduced into the stock price in the first place.” *Id.* at *19. “[E]very subsequent false statement caused the full amount of inflation to remain in the stock price, even if the price didn’t change at all, because had the truth become known, the price would have fallen then.” *Id.* at *17.

*Glickenhau*s confirms that defendants’ partial analysis of only “positive impact” failed to show an absence of price impact. Because defendants did “not mention the stock price’s reaction to the information revealed on December 14, 2010” (A363 n.6 (citing A264¶12)), the district court was well within its discretion in finding that defendants failed to rebut the fraud-on-the-market presumption.

Sincerely,



Susan K. Alexander

SKA:tjl

This letter contains 350 words in compliance with Fed. R. App. P. 28(j).

DECLARATION OF SERVICE

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and employed in the City and County of San Francisco, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is Post Montgomery Center, One Montgomery Street, Suite 1800, San Francisco, California 94104.

2. I hereby certify that on June 25, 2015, I electronically filed the foregoing document with the Clerk of the Court for the United States Court of Appeals for the Eighth Circuit by using the appellate CM/ECF system.

3. Participants in the case who are registered CM/ECF users will be served by the appellate CM/ECF system.

4. I further certify that some of the participants in the case are not registered CM/ECF users. I have mailed the foregoing document by First-Class Mail, postage prepaid, or have dispatched it to a third-party commercial carrier for delivery within three calendar days, to the following non-CM/ECF participants:

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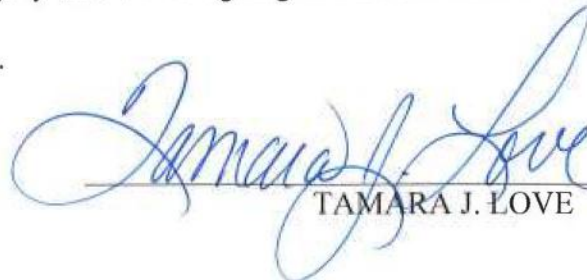
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I declare under penalty of perjury that the foregoing is true and correct. Executed on June 25, 2015, at San Francisco, California.


TAMARA J. LOVE