



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re: PETROBRAS SECURITIES
LITIGATION

14-cv-9662 (JSR)
ORDER

JED S. RAKOFF, U.S.D.J.

Lead plaintiff Universities Superannuation Scheme Limited ("USS") brings this putative class action against defendant Petr leo Brasileiro S.A. - Petrobras ("Petrobras") and related individuals and entities alleging violations of the Securities Exchange Act of 1934, the Securities Act of 1933, and Brazilian law. Defendant moved to dismiss the Consolidated Amended Complaint dated March 27, 2015, ECF No. 110 ("CAC"). Having reviewed the parties' submissions and heard oral argument, the Court now rules as follows.

Defendants' motion to dismiss plaintiffs' claims arising under Section 12(a)(2) of the Securities Act (Count VIII) is granted on the ground that plaintiffs fail to allege that they purchased the relevant Notes in an initial offering. However, leave to amend with respect to this issue is granted, provided such amended pleading is filed no later than July 16, 2015.

Defendants' motion to dismiss plaintiffs' claims arising under Section 11 of the Securities Act (Count VII) is granted, with prejudice, with respect to claims based on the 2012 Note

Offering on the ground that such claims are barred by the statute of repose. Defendants' motion to dismiss plaintiffs' Section 11 claims is further granted, with prejudice, with respect to claims based on the Note purchases listed on page 52, footnote 56 of Defendants' Memorandum of Law in Support of Their Motion to Dismiss the Consolidated Amended Complaint dated April 17, 2015, ECF No. 156, on the ground that plaintiffs failed to plead reliance.

Defendants' motion to dismiss the Securities Act claims is granted on the ground that plaintiffs failed to allege that they purchased the relevant securities in domestic transactions. See Morrison v. Nat'l Austral. Bank Ltd., 561 U.S. 247, 273 (2010). However, leave to amend with respect to this issue is granted, provided such amended pleading is filed no later than July 16, 2015.

Defendants' motion to compel arbitration is granted with respect to the Brazilian law claims asserted in Counts III through V of the CAC, but is denied with respect to the Exchange Act claims.

Defendants' motion is otherwise denied. A memorandum explaining the reasons for these rulings will issue in due course. The mandatory stay of discovery imposed by the Private Securities Litigation Reform Act, 15 U.S.C. §§ 78u-4(b)(3)(B), 77z-1(b)(1), is hereby lifted. The parties are directed to

jointly prepare and submit to the Orders and Judgments Clerk, by July 15, 2015, a proposed Case Management Plan pursuant to which this case will be ready for trial by no later than February 1, 2016.

The clerk is directed to close document number 154 on the docket of this case.

SO ORDERED.

Dated: New York, NY
July 9, 2015



JED S. RAKOFF, U.S.D.J.