



## NEWS RELEASE

## United States Attorney's Office

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Central District of California

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Thom Mrozek, Public Affairs Officer  
(213) 894-6947  
[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)  
[www.usdoj.gov/usao/cac](http://www.usdoj.gov/usao/cac)

### **FORMER NAME PARTNER IN MILBERG WEISS LAW FIRM TO PLEAD GUILTY TO PARTICIPATING IN ILLEGAL KICKBACK SCHEME**

LOS ANGELES – David J. Bershad, formerly a name partner in the New York law firm now known as Milberg Weiss & Bershad LLP, has agreed to plead guilty this afternoon to a federal conspiracy charge and acknowledge that he and others agreed to conceal from judges in state and federal courts Milberg Weiss' secret payment arrangements with named plaintiffs in class actions and shareholder derivative actions.

Bershad, a 67-year-old resident of Montclair, New Jersey, was charged in a criminal information filed this morning in United States District Court with conspiring to obstruct justice and to make false statements under oath. In a plea agreement also filed this morning, Bershad, a former managing partner of Milberg Weiss, agreed to plead guilty to the conspiracy charge, to forfeit \$7.75 million, to pay a \$250,000 fine and to cooperate in the government's ongoing investigation and prosecution of other participants in the conspiracy.

Bershad's expected guilty plea stems from an indictment returned by a federal grand jury in May 2006 that accused Milberg Weiss, Bershad, former Milberg Weiss name partner Steven G. Shulman, and others with participating in a scheme to pay millions of dollars in secret and illegal kickbacks to named plaintiffs in more than 150 class actions and shareholder derivative actions. The indictment alleges that the firm received well over \$200 million in attorneys' fees from these lawsuits over the past 20 years (see:

<http://www.usdoj.gov/usao/cac/news/pr2006/061.html>). Milberg Weiss, Schulman and two other defendants have pleaded not guilty to the charges in the 20-count indictment and are scheduled to be tried in January 2008.

The conspiracy charge to which Bershad has agreed to plead guilty carries a maximum statutory penalty of five years in federal prison. He is scheduled to plead guilty this afternoon at 2:00 PDT before United States District Judge John F. Walter in United States District Court in Los Angeles.

Steven G. Cooperman, 65, of Fairfield, Connecticut, was one of the former named plaintiffs to whom Milberg Weiss secretly paid millions of dollars in kickbacks. Cooperman previously agreed to plead guilty to a conspiracy charge relating to the kickback scheme (see: <http://www.usdoj.gov/usao/cac/news/pr2007/014.html>). Cooperman is scheduled to enter his guilty plea tomorrow at 9:00 a.m. PDT, also before Judge Walter.

This case is the result of an investigation by the United States Postal Inspection Service and IRS-Criminal Investigation Division.

CONTACT: Assistant United States Attorney Richard E. Robinson  
(213) 894-0713

Assistant United States Attorney Robert J. McGahan  
(213) 894-5420

Assistant United States Attorney Douglas A. Axel  
(213) 894-0689