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Subprime Mortgage Litigation Filings Surpass S&L Benchmark, Navigant Consulting Study Finds

More Subprime-Related Lawsuits Filed So Far in 2008 Than All of 2007

Auction-Rate Securities Cases Add to Total; Borrower Class Action Lawsuits Down

CHICAGO, September 10, 2008 – Navigant Consulting, Inc. (NYSE: NCI), a global consulting firm providing dispute, investigative, operational, risk management and financial advisory solutions, released a report today showing that the number of subprime-related cases filed in federal courts through the second quarter of 2008 has topped the 559 savings-and-loan (S&L) lawsuits of the early 1990s, until now viewed by many as the high-water mark in terms of litigation fallout from a major financial crisis.

According to Navigant Consulting's most recent report on this topic, of the 607 subprime-related cases filed in federal courts over the 18 months ended June 30, 2008, 310 were filed in just *the first six months* of 2008 – more than the 297 filed during all of 2007.

"It is perhaps of little surprise that as the current crisis takes on unprecedented scale, the related litigation would as well," said Jeff Nielsen, who leads Navigant Consulting's Financial Services Disputes & Investigations group and is actively advising clients in a number of subprime-related matters. "We are now more than a year into the credit crisis, and the litigation continues to pile up."

The Navigant Consulting report notes that in the second quarter of 2008 more than three new cases were filed for every one that was disposed (most of which were filed in earlier quarters). Still, the Navigant report notes that certain categories of filings are beginning to slow. Borrower class action lawsuits, for example, which have led all case types tracked by Navigant to date, declined more than 60 percent from the prior quarter. In the March 2008 quarter, new filings outnumbered dispositions by almost five to one.

"While signs are emerging that we might be approaching the end of the beginning of the subprime-related filings," said Nielsen, "the downhill portion of this journey will not begin in earnest until the number of cases being disposed in a quarter approaches the number of new filings."

Securities cases overtook borrower class actions for only the second time in the six quarters tracked by Navigant to date, accounting for 41 percent of total filings. The second quarter's securities filings received a boost from 11 new lawsuits related to the collapse of the auction-

rate securities (ARS) market, bringing the total number of ARS cases to 22 through June 2008. The rest of the second quarter filings were comprised of borrower class actions (26 percent) and commercial contract disputes (16 percent), among other case types.

“The credit crisis remains fluid,” added Nielsen, “which means new waves of litigation could still emerge.” The Navigant report notes that the rising number of bank failures is one such example. “One lesson of the S&L crisis,” said Nielsen, “is that while a bank can be seized and even reconstituted over a weekend, the resulting litigation can linger for years.”

About Navigant Consulting

Navigant Consulting, Inc. (NYSE:NCI) is a specialized independent consulting firm providing litigation, financial services, health care, energy and operational consulting services to government agencies, legal counsel and large companies facing the challenges of uncertainty, risk, distress and significant change. The Company focuses on industries undergoing substantial regulatory and structural change and on the issues driving these transformations. “Navigant” is a service mark of Navigant International, Inc. Navigant Consulting, Inc. (NCI) is not affiliated, associated, or in any way connected with Navigant International, Inc. and NCI’s use of “Navigant” is made under license from Navigant International, Inc. More information about Navigant Consulting can be found at www.navigantconsulting.com.

For an interview and copy of the full report, *Second Quarter 2008 Update: Setting the Bar*, contact Shannon Prown of Navigant Consulting at 215-832-4436 or Derede McAlpin of Levick Strategic Communications at 202-973-1314.

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