



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPIER**

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# **NEWS**

**FOR IMMEDIATE RELEASE**

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## **COURT DENIES EFFORT BY CAMPBELL'S SOUP COMPANY TO DISMISS CLASS ACTION SUIT LED BY CONNECTICUT TREASURY**

### *Litigation Aimed at Recovering State Pension Funds Will Continue*

(Hartford) -- State Treasurer Denise L. Nappier said that the Connecticut pension fund and pension beneficiaries scored an important first-round victory in a class-action lawsuit against Campbell's Soup Company, when a federal court rejected the defendant's motion to dismiss the case.

The State Treasurer's Office is co-lead plaintiff in the class action lawsuit, which was filed on behalf of pension beneficiaries and other investors to recover losses resulting from alleged fraudulent activities. The Defendant, Campbell's Soup Company, claimed that the lawsuit failed to meet required standards of a credible case, and therefore should be dismissed. Judge Joseph E. Irenas of the Federal District Court for the District of New Jersey disagreed, denying the motion to dismiss in its entirety.

"This is a complete victory at this stage of the litigation, and will permit this important case to move forward to the central issue -- the financial harm done by Campbell's actions," Nappier said. "The interests of our pension fund beneficiaries and all other investors must be considered in this case," Nappier added, "and that consideration is now closer with this decision."

The Treasury alleges that Campbell's, in order to inflate its reported sales, created an elaborate scheme of shuffling product around its warehouses and truck yards and accounting for the "traveling" product as a sale. The lawsuit also alleges that Campbell's further inflated sales figures by offering massive quantities of inventory at deep discounts to retail customers, while permitting unsold product to be returned. Sales figures were artificially inflated by reflecting the sales but not the returns. When the schemes eventually collapsed, the lawsuit alleges, the market plummeted and the Connecticut pension fund, among other investors, realized significant losses.

*More...*

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At Treasurer Nappier's direction last year, the Treasurer's Office, with the cooperation of the Connecticut Attorney General's Office, sought designation and was ultimately selected by the court to serve as co-lead plaintiff in the litigation.

This court decision marks another major litigation hurdle cleared in the Nappier administration's initiative to take an active role in class action litigation. In addition to serving as co-lead plaintiff in the Campbell's litigation, the Connecticut Treasury has been appointed as lead plaintiff in the Waste Management class action litigation.

"We will not stand still while pension fund assets belonging to hard-working government employees decline in value because of mismanagement or questionable practices by companies we invest in," Nappier said. "We will absolutely remain actively involved in class action litigation."

Nappier praised the work of the attorneys working on the case, noting that the counsel team includes a Connecticut firm and a women and minority-owned firm, consistent with the Treasurer's interest in providing opportunity to well-qualified Connecticut firms, small and emerging businesses, and women and minority-owned businesses.

"In the Campbell's litigation, we elected to engage local Connecticut-based counsel and we are quite pleased with the results achieved thus far. Additionally, we worked diligently to seek out and consider, and ultimately selected, a minority-owned/women-owned law firm to represent us in New Jersey, where the case is being heard. We will continue efforts to provide opportunity to those who have been traditionally excluded from the lead counsel arena," Nappier said.

The Treasurer's Office General Counsel is Catherine E. LaMarr. Local counsel is Andy Schatz of Schatz and Noble in Hartford. The New Jersey counsel is Lisa Rodriguez of Rodriguez & Richards. In addition, the Connecticut Attorney General's Office has been consulted regarding the litigation.