



STATE OF CONNECTICUT NEWS RELEASE

State Treasurer Denise L. Nappier
Attorney General Richard Blumenthal

FOR IMMEDIATE RELEASE

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Nappier, Blumenthal Announce \$35 Million Settlement of Securities Class Action Suit Against Campbell Soup Company

Investors will be able to seek share of settlement

Connecticut Treasurer Denise L. Nappier and Attorney General Richard Blumenthal today announced settlement of a securities fraud class-action lawsuit brought against Campbell Soup Company, the world's leading maker and marketer of soup, for \$35 million on behalf of state pension beneficiaries and other investors.

The Connecticut Treasurer serves as co-lead plaintiff in the litigation filed in 2000 against the Camden, New Jersey-based food products company on behalf of pension beneficiaries and other investors to recover losses resulting from alleged fraudulent and manipulative activities.

The plaintiffs alleged that Campbell, in order to "close the gap" between Wall Street sales and earnings projections and actual market demand for Campbell products, employed elaborate and deceptive practices to artificially inflate sales and earnings numbers and, therefore, stock prices. When the schemes eventually collapsed, the lawsuit alleged, the market value plunged, resulting in losses for the Connecticut pension fund and other investors. The settlement is believed to be the largest monetary settlement of a class-action case involving "channel stuffing," in which a company artificially inflates sales. Campbell did not admit to any misconduct in the settlement.

"The message to America's corporations is clear: Investors will not tolerate corporate policies that cross the line and harm not only the value of their stock but also the interests of consumers," Nappier said. "This settlement achieves an important result – putting money back in the pockets of pension fund beneficiaries and all investors."

"Corporate accountability is the state's business – including insisting on truthful and timely information from corporations to the investing public. Our state is helping lead a continuing national campaign for corporate accountability on several fronts," Blumenthal said. "All investors, not just corporate insiders, must have access to data that will affect stock prices,

MEDIA CONTACTS

Attorney General's Office
Cindi MacAulay 860-808-5324

State Treasurer's Office
Bernard Kavalier 860-702-3277

and all of us deserve money back when companies like Campbell fail to meet their moral and legal obligations.”

In accordance with the settlement, investors purchasing Campbell’s shares between September 8, 1997 and January 8, 1999 would be eligible to receive a portion of the settlement. Today’s announced settlement, which must be approved by Judge Joseph E. Irenas of the U.S. District Court of New Jersey, follows extensive investigation and settlement negotiations. Following preliminary court approval, methods for investors to file claims will be announced.

Nappier said that her office pursued the class action suit against Campbell Soup when all other avenues for achieving the recovery of Connecticut pension fund assets failed to produce positive results. At Nappier’s direction, the Treasurer’s Office, working with the Attorney General’s Office, sought designation and was ultimately selected by the court in 2000 to serve as co-lead plaintiff in the class action litigation. In July, 2001, the Connecticut pension fund and pension beneficiaries scored an important first-round victory when the federal court rejected Campbell’s motion to dismiss the case.

“It is important to understand that we take a measured approach to the pursuit of our legal rights as shareholders whenever we have reason to believe that mismanagement or questionable practices by the companies we invest in have resulted in the decline or loss of our pension fund assets,” Nappier said. “In the case of Campbell Soup, the settlement far exceeds the costs associated with protracted litigation and demonstrates that our actions were in the best interest of pension fund beneficiaries.”

In addition to serving as co-lead plaintiff in the Campbell’s litigation, the Connecticut Treasury, along with the Attorney General, was lead plaintiff in the Waste Management class action litigation that resulted in a \$457 million settlement, the third largest securities class action settlement in US history, in 2001. The Treasurer’s Office, working with the Attorney General’s Office, is also currently lead plaintiff in class-action litigation against JDS Uniphase. Nappier’s asset recovery and loss prevention initiative, the most comprehensive in state history, has recovered in excess of \$1 billion since 1999.

“We will continue efforts to provide opportunity to those who have been traditionally excluded from the lead counsel arena,” Nappier said.

The counsel team, in addition to the Attorney General’s Office and Treasurer’s Office, included a Connecticut law 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. (Co-lead counsel are Andrew Schatz of Schatz & Nobel in Hartford and Sherrie Savett of Philadelphia’s Berger & Montague. The New Jersey local counsel is Lisa Rodriguez of Rodriguez & Richards.)

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