



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

---

# NEWS

**FOR IMMEDIATE RELEASE**

Thursday, June 3, 2004

## **Connecticut Treasury's Aggressive Efforts to Recapture Funds From Class Action Suit Claims Results in Record Recoveries; More Than \$2.1 Million During Current Fiscal Year**

### ***Nappier Urges Individual Stock Owners, Pension Funds to File Claims***

Connecticut State Treasurer Denise L. Nappier said today that Connecticut's pension fund has recovered a record \$2.1 million thus far during the current fiscal year from claims filed in class action lawsuits, a central component of the Treasury's innovative asset recovery and loss prevention program. And Nappier urged individual investors and other public pension funds to follow the state pension fund's lead by filing claims for funds resulting from class action settlements.

Treasurer Nappier noted that billions of dollars of potential funds go unclaimed by individual and institutional shareholders each year, simply because they are unaware that they are eligible for a share of court-approved class action settlements.

Nappier said the landmark Treasury program she instituted just four years ago has brought nearly \$5.2 million into the state pension fund by making certain that the Treasury was aware of and appropriately filed necessary paperwork to claim funds in class action suits. The effort has brought in more than \$2 million in a single fiscal year for the first time this year. The current fiscal year began on July 1, 2003 and ends on June 30, 2004. Data reflects the first three-quarters of the year, through March 31, 2004.

"This is really found money. In the past, like many other funds, Connecticut did not have a consistent plan to find out about class action settlements in which the fund could receive a share of the settlement by filing a claim. We now stay up-to-date on cases that could benefit the fund, and we go after money we're entitled to," said Nappier, principal fiduciary of Connecticut's \$20 billion state pension fund.

The Treasurer said individuals that own stock in a company that is settling a class action suit will receive notification about eligibility, or their stockbroker would receive such notification. In addition, there are numerous resources on the internet that list pending class action litigation and recent settlements, which consumers could use to follow up with their financial advisors or the companies themselves regarding possible eligibility to file claims.

"Everyone who owns stock in a company that is a target of this litigation is potentially the beneficiary of class action settlements," Nappier said, noting that newspapers often run legal

CONTACT: **BERNARD L. KAVALER**  
**DIRECTOR OF COMMUNICATION**  
(860) 702-3277 FAX (860) 702-3043  
[BERNARD.KAVALER@PO.STATE.CT.US](mailto:BERNARD.KAVALER@PO.STATE.CT.US)

---

notices of settlements and class eligibility, as well as news stories on major settlements. She said that consumers searching the web should be careful not to unknowingly commit to paying for unnecessary legal services in order to learn about potential claims.

It has been estimated that class action settlements exceed \$10 billion annually, and that more than half of those entitled to payment fail to file claims. Nappier stressed that there are time limits associated with the filing of claims, and consumers should file in a timely manner.

Regarding the Treasury's efforts, Nappier noted that the number of class action cases has steadily increased in recent years, reflecting a greater focus on corporate malfeasance and "heightening the obligation of fiduciaries to establish responsible programs of asset recovery and loss prevention."

The amount collected by the Treasury in class action proceeds has increased from \$44,000 in fiscal year 2000, when the Office began to look at class action recovery, to \$138,000 in fiscal year 2001, when the formal program first began, increasing to \$1.4 million in 2002, \$1.5 million in fiscal year 2003 and \$2.1 through the first three quarters of 2004.

"Our loss prevention and asset recovery program works both sides of the ledger, benefiting the pension fund's bottom line by bringing money into the fund and strengthening our policies and practices in dealing with the companies we trust to invest our assets," said Nappier. "The results have been solid and beneficial, and our efforts can be a valuable model for other funds."

Nappier said that the Treasurer's Office also seeks court designation as lead plaintiff when there is reason to believe that state investment funds were lost due to corporate malfeasance, and the Treasury's leadership in the class-action litigation can benefit adversely affected shareholders by aggressively pursuing the case, as well as keeping legal fees reasonable in order to recapture as much money as possible for shareholders.

Taking a lead role, as an active institutional investor, in class action litigation has also resulted in landmark settlements that have included substantial recovered assets and corporate governance reforms. The best example is Waste Management, where the Connecticut pension fund sought and was designated lead counsel, and negotiated the third largest class action settlement, \$457 million, at that time in U.S. history. In addition, the pension fund was co-lead plaintiff in a case against Campbell Soup, which resulted in a \$35 million settlement for the entire class and is currently serving as lead plaintiff in a legal action against JDS Uniphase.

Earlier this year, more than 54,000 checks were sent to shareholders as part of the court-approved settlement in the Waste Management case, including just over \$8 million to more than 700 Connecticut investors.

The loss prevention aspects of the initiative include development of best practice contract terms, re-negotiation of contract terms, and elimination of contract ambiguities. Asset recovery efforts include enhancement of the proof of claim filing process, negotiated settlement of fee disputes, application to serve as lead plaintiff in class action litigation, encouragement of other institutional investor lead plaintiffs to aggressively negotiate reasonable legal fees, and filing lawsuits, where necessary, to recover assets.

Overall, the comprehensive asset recovery and loss prevention program, the first of its kind in the Connecticut State Treasurer's Office, has brought more than \$1 billion for the state pension fund -- in recovery, recapture and commitment reductions.

CONTACT: **BERNARD L. KAVALER**  
**DIRECTOR OF COMMUNICATION**  
(860) 702-3277 FAX (860) 702-3043  
[BERNARD.KAVALER@PO.STATE.CT.US](mailto:BERNARD.KAVALER@PO.STATE.CT.US)