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DENISE L. NAPPIER

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Treasury's Efforts to Recapture Funds in Class Action Claims Bring \$2 Million in FY2006; Recoveries from Six-Year Program Nearly \$11 Million

Nappier Urges Individual Stock Owners, Pension Funds to File Claims

Connecticut State Treasurer Denise L. Nappier said today that Connecticut's pension fund recovered just over \$2 million from claims filed in class action lawsuits during the fiscal year ending June 30, 2006 -- the third consecutive year exceeding \$2 million, as part of the Treasury's asset recovery and loss prevention program. The six-year total in the class action recovery program initiated by the Nappier Administration stands at \$10.98 million.

Treasurer Nappier noted that potential funds go unclaimed by individual and institutional shareholders each year, simply because they are unaware of their eligibility for a share of court-approved class action settlements. She urged individual investors and other public pension funds to file claims for funds resulting from class action settlements.

Nappier noted that the landmark Treasury program she instituted has brought nearly \$11 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 amount collected in class action proceeds has increased from \$135,000 in fiscal year 2000, when the Office began to look at class action recovery.

"This is really found money. We established a system to 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 \$22 billion state pension fund. "The results have been phenomenal."

CLASS ACTION RECOVERY						
FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	TOTAL
\$1.05 million	\$1.39 million	\$1.2 million	\$2.83 million	\$2.34 million	\$2.01 million	\$10.9 million

Regarding the Treasury's efforts, Nappier noted that while the number of class action cases peaked in 2004 at the height of the response to a wave of corporate scandals, there continue to be a substantial number of cases that can bring recoveries of assets.

"In my view, the establishment of a program of asset recovery and loss prevention is an extension of my fiduciary responsibility. Prior to my administration, Connecticut, like many

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other funds, 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,” Nappier said. “We’ve changed that, and I would urge other investors to do the same.”

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 litigation is potentially the beneficiary of class action settlements,” Nappier said, noting that newspapers often run legal 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.

ASSET RECOVERY EFFORTS GO BEYOND CLASS-ACTION FILINGS TO LEAD PLAINTIFF ROLE

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.

“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.

Taking a lead role 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 2004, 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.

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