



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

NEWS

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Class Action Lawsuits Net Nearly \$6 Million for State Treasury in FY 2007

Connecticut Treasurer Denise L. Nappier today announced that the state's pension fund recovered \$6 million in class action lawsuits during fiscal year 2007, a record for the agency's seven-year effort to recoup investment losses resulting from corporate malfeasance.

Since 2001, when Nappier launched a new strategy to more closely monitor and participate in class action settlements in response to a wave of corporate accounting scandals, her administration has regained a total of \$16.8 million by simply filing claims for such settlement proceeds.

Prior to her administration, Connecticut, like many other institutional investment funds, did not have established procedures to include, among other things, timely filing of claims and as a result, the state relinquished its right to collect millions of dollars.

"The results of the treasury's asset recovery initiative have been phenomenal," Nappier said. "It amounts to found money for the pension fund and state taxpayers."

The treasury has also taken a lead role as an active institutional investor in class action litigation, with the state's pension fund designated as lead plaintiff -- or co-lead plaintiff -- in a number of class action suits, including the Waste Management suit, where it negotiated the third largest class action settlement -- \$457 million -- of its time in 2001. Reduced legal fees and corporate governance reforms have also resulted from the treasury's service as lead plaintiff.

"Every Connecticut dollar saved and recovered is an indication that we keep a watchful eye on the bottom line and that our approach is both measured and judicious in seeking fair retribution for the bad acts of others," Nappier said.

Consistent with the treasury's vigorous and ongoing prosecution of securities fraud claims, the agency is moving forward with its preparations for an October trial date as lead plaintiff in the JDS Uniphase class action suit. U.S. District Judge Claudia Wilken ruled this summer that the case deserves a trial.

In the suit, Connecticut established a timeline alleging that some of the firm's corporate leaders knowingly made false statements about the deteriorating financial health of the company, while cashing out between 80 percent and 100 percent of their personal JDS Uniphase holdings and collecting proceeds of more than \$1.6 billion.

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