



NEW YORK CITY LAW DEPARTMENT  
OFFICE OF THE CORPORATION COUNSEL

Michael A. Cardozo, *Corporation Counsel*

Press Release

[nyc.gov/law](http://nyc.gov/law)

*For Immediate Release*

**NEW YORK PENSION FUNDS SETTLE COUNTRYWIDE FINANCIAL  
CORPORATION LITIGATION FOR \$624 MILLION**

**Contact:**

- **Kate O'Brien Ahlers / Connie Pankratz (NYC Law Dept.), 212-788-0400**
- **Olayinka Fadahunsi (NYS Comptroller), 212-681-4840**
- **Mike Loughran (NYC Comptroller), 212-669-3564**
- **Stacey Szluka (Labaton Sucharow), 212-907-0664**

New York, February 25, 2011 – The New York State Common Retirement Fund and the five New York City public pension funds announced today the \$624 million settlement of the Countrywide Financial Corporation Securities Class Action. Of this total, \$22.5 million will be set aside for up to two years to be used by Countrywide to satisfy claims asserted by those that voluntarily excluded themselves from the class. This recovery is one of the largest securities fraud settlements in U.S. history.

Labaton Sucharow LLP is lead counsel for the class.

"This settlement vindicates investors who were deceived by Countrywide's involvement in sub-prime mortgage lending," said State Comptroller Thomas P. DiNapoli. "Other firms engaging in these types of schemes should be forewarned that they will not get away with ripping off shareholders. I'll take every appropriate action necessary, from the boardroom to the courtroom, to protect the retirement security of the Fund's million-plus members."

"Countrywide's actions were indicative of a culture that sought to enrich executives at the expense of shareholders," said New York City Comptroller John C. Liu. "On behalf of the New York City Pension Funds, we are very proud to have helped lead the efforts to send a message that management will be held accountable to shareholders."

"This is a very good and fair settlement. It recoups losses that affected the pensions of many city and state workers - including retired firefighters, police officers and teachers. We are pleased to have led the fight that will benefit hundreds of thousands of people nationwide," said Corporation Counsel Michael A. Cardozo, chief legal officer for the City of New York and counsel to the City's pension funds.

"The fraud carried out by Countrywide Financial and its executives demonstrates the egregious wrongs of the subprime mortgage crisis. The settlement we were able to achieve, the largest coming out of this crisis, will compensate aggrieved investors with a significant percentage of their legally recoverable damages. Our firm is pleased that we were able to obtain this sizeable recovery on behalf of the class," said Joel H. Bernstein, senior partner at Labaton Sucharow.

The settlement was approved today by Judge Mariana R. Pfaelzer of the U.S. District Court for the Central District of California. This agreement is the 14<sup>th</sup> largest securities class action settlement in the history of the Private Securities Litigation Reform Act.

The Plaintiffs had alleged that Countrywide, one of the country's largest mortgage lenders, violated securities laws by making misstatements and omitting material facts about its policies and procedures for underwriting loans that entailed greater risk than disclosed. Thus, Plaintiffs contended that Countrywide, contrary to public assurances, had exposed investors to excessive, undisclosed risk.

The New York State Common Retirement Fund, valued at approximately \$140.6 billion, provides benefits to the more than one million state and local government employees, retirees, and beneficiaries in the retirement systems. It is the third largest public pension fund in the United States.

The New York City Pension Funds, consisting of the New York City Employees' Retirement System, New York City Teachers' Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund, and New York City Board of Education Retirement System, serve more than 700,000 active and retired New York City employees. With approximately \$113.9 billion in assets, the City's funds are cumulatively one of the largest public pension funds in the United States.

Labaton Sucharow LLP, with offices in New York, New York and Wilmington, Delaware, is one of the country's premier law firms representing institutional investors in class action and complex securities litigation, as well as consumers and businesses in class actions seeking to recover damages for anticompetitive practices. The Firm has been a champion of investor and consumer rights for over 45 years, seeking recovery of current losses and necessary governance reforms to protect investors and consumers. Labaton Sucharow has been recognized for its excellence by the courts and its peers. More information about Labaton Sucharow is available at [www.labaton.com](http://www.labaton.com)

# # #