# Pension Funds Recover $2.425 Billion for Shareholders in Bank of America Securities Class Action: A Historic and Outstanding Result for Investors

NEW YORK, NY--(Marketwire) September 28, 2012 – Defendant Bank of America Corporation ("BAC") has agreed to pay $2.425 billion in cash and to implement significant corporate governance improvements to resolve a federal securities class-action lawsuit arising out of its acquisition of Merrill Lynch & Co., Inc. ("Merrill Lynch"), announced on September 15, 2008 and completed on January 1, 2009. The Action, *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*, Master File No. 09 MDL 2058, is currently pending in the United States District Court for the Southern District of New York before Judge P. Kevin Castel.

The Class Representatives are the State Teachers Retirement System of Ohio, the Ohio Public Employees Retirement System, the Teacher Retirement System of Texas, Stichting Pensioenfonds Zorg en Welzijn, represented by PGGM Vermogensbeheer B.V. (PGGM Investments), and Fjärde AP-Fonden (collectively the "Lead Plaintiffs"). Lead Plaintiffs alleged that BAC, Merrill Lynch, and certain current and/or former officers and directors of BAC or Merrill Lynch violated the federal securities laws by making a series of materially false statements and omissions in connection with the Merrill Lynch acquisition regarding billions of dollars of losses which Merrill Lynch had suffered before the pivotal shareholder vote and an undisclosed agreement allowing Merrill Lynch to pay up to $5.8 billion in bonuses before the acquisition closed, despite these losses. Not privy to these material facts, BAC shareholders voted on December 5, 2008 to approve the acquisition. BAC's stock price plunged when the true facts were revealed in a series of disclosures in January of 2009.

The Settlement was reached after almost four years of litigation with a trial set to begin on October 22, 2012. The Settlement covers the Class previously certified by the Court on February 6, 2012. The settlement discussions were conducted with the assistance of a mediator, former United States District Judge Layn R. Phillips.

The Settlement is, by a wide margin, the single largest securities class action settlement ever resolving a Section 14(a) claim – the federal securities provision designed to protect investors against misstatements in connection with a proxy solicitation. In addition, the settlement amount is one of the four largest ever funded by a single corporate defendant for violations of the federal securities laws to date, and the single largest settlement of a securities class action in which there was neither a financial restatement involved nor a criminal conviction related to the alleged misconduct.

"This precedent-setting settlement reflects our commitment to do everything in our power to protect our teachers' and public employees' pension funds and to recover their lost assets," said Ohio Attorney

General Mike DeWine. "Not only did we accomplish an excellent financial recovery, but other companies will look at the result here and think twice about not fully disclosing all necessary information to their shareholders."

"We believe the Settlement represents a landmark recovery for BAC shareholders who voted on the acquisition without complete and accurate information," said Eloy Lindeijer, Chief Investment Management of PGGM Investments in the Netherlands. "The settlement sends a strong message to all companies concerning the paramount importance of conducting a fully-informed shareholder vote on corporate acquisitions and mergers."

"We are very pleased that the Settlement will recoup a substantial portion of the losses incurred by BAC shareholders," added Brian Guthrie, the Executive Director of Teacher Retirement System of Texas. "Also, the magnitude of the recovery reinforces the important role that pension funds play when they serve as lead plaintiffs in securities actions."

"This is a settlement of historic proportions for BAC investors who were denied their fundamental right to vote on an informed basis on significant corporate transactions or who purchased in the open market without full information," said Mats Andersson, CEO of Fjärde AP-Fonden in Sweden.

The settlement, if approved, is to be paid in addition to the $150 million recovered by the SEC from BAC for the same misconduct, and demonstrates the continuing need for private litigation to supplement government enforcement actions.

Lead Plaintiffs were represented in the Action by co-lead counsel Bernstein Litowitz Berger & Grossmann LLP; Kaplan Fox & Kilsheimer LLP; and Kessler Topaz Meltzer & Check, LLP.

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**STRS Ohio**

STRS Ohio is a public pension fund organized for the benefit of current and retired educators in the State of Ohio, serving approximately 458,000 active, inactive, and retired Ohio public educators.

**Ohio PERS**
Ohio PERS is a public pension fund organized for the benefit of approximately 936,000 current and retired public employees throughout the State of Ohio who are not covered by another state or local retirement system.

**TRS**
TRS delivers retirement and related benefits authorized by the Texas Legislature, and manages a $110 billion trust fund established to finance member benefits. It is the seventh largest public pension plan in the U.S. and among the 20 largest funds in the world. More than 1.3 million public education and higher education employees and retirees participate in the system.

**Pensioenfonds Zorg en Welzijn**
PFZW is responsible for the pension policy and pension assets of 2.5 million current and former employees in the Dutch care and welfare sector. The pension fund is the owner of the pension assets, which amounted to €118.6 billion at the end of June, 2012. The fund is governed by representatives of employee and employer organisations. The Board of Trustees is accountable to the Pension Council, which consists of fund members, pensioners and employers. The Pension Council is also the co-determination body and issues recommendations on proposed decisions. PFZW has outsourced the administration of the pension scheme and the management of the pension assets to PGGM.

**PGGM**
PGGM is a leading Dutch pension fund service provider offering pension management, integrated asset management, management support and policy advice to its institutional clients. PGGM currently works on behalf of six pension funds, managing about €125 billion of pension assets of 2.5 million people. As a cooperative organisation, PGGM helps its over 570,000 members to secure a valuable future. PGGM works independently or with strategic partners to develop innovative future benefit solutions combining pensions, care, accommodation and employment.

**Fjärde AP-Fonden (AP4)**
AP4's brief is to contribute to the stability of the national pension system through managing Fund capital with the aim of generating the best possible return over time. AP4 is a governmental authority whose operations are regulated in the Swedish National Pension Funds Act (2000:192). AP4 is one of five buffer funds in the Swedish national pension system. The income pension system is a distribution system in which pension contributions paid in by the gainfully employed during the year are used to pay out pensions to pensioners the same year.