



CalPERS Achieves \$12.75M Recovery from Ernst & Young LLP

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SACRAMENTO, CA - The California Public Employees' Retirement System (CalPERS) announced today that it had reached a \$12.75 million settlement with Ernst & Young LLP (E&Y), the former auditor for Lehman Brothers (Lehman) with respect to claims arising out of CalPERS purchases of Lehman stock and bonds prior to the collapse of Lehman in 2008.

CalPERS opted out of a class action against Lehman's former top executives, directors, E&Y and various underwriters and filed its own action in February 2011 over allegedly false statements about Lehman's financial condition which caused Lehman securities to trade at artificially inflated prices.

The E&Y settlement comes on top of previous recoveries achieved by CalPERS in this action. The pension fund earlier settled with Lehman's officers and directors for \$11 million in October 2011. CalPERS also settled its claims against two underwriters, Cabrera Capital and Loop Capital Markets LLC, for a total of \$4.6 million in June and November 2013.

The E&Y recovery is far larger than the recovery CalPERS would have obtained had it remained in the class action. The amount paid by E&Y to CalPERS is equal to almost 13 percent of the total amount E&Y paid to settle with the entire class CalPERS opted out of - a class which included thousands of members with tens of billions of dollars of claimed damages.

CalPERS is the largest public pension fund in the U.S., with more than \$285 billion in assets. CalPERS administers health and retirement benefits on behalf of 3,064 public school, local agency and state employers. There are more than 1.6 million members in the CalPERS retirement system and more than 1.3 million in its health plans. For more information about CalPERS, visit www.CalPERS.ca.gov.

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