

Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago

Securities Litigation Policy

Since enactment of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), much attention has been focused on the role of institutional investors in securities class action litigation. Specifically, a number of stakeholders in this area, including Congress, have urged institutional investors and public pension funds, in particular, to seek "Lead Plaintiff" status in such litigation. Congress envisioned that active public pension fund participation would bring about the following benefits: increased settlement recoveries; reduced attorneys' fees; and, a higher level of accountability for corporate wrongdoing, by either holding corporate officers personally liable and/or enacting corporate governance reforms designed to prevent a repeat of the problems. Congress also hoped increased institutional involvement would discourage the filing of frivolous lawsuits.

The Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago has taken note of recent cases of corporate malfeasance and wishes to avail itself of any opportunities to recover assets which may be lost through negligence or malfeasance of corporations in which it has invested. To this end, the Board will form relationships with securities litigation firms to monitor its holdings and to render expert advice regarding cases that, in their judgement, offer the possibility of financial recovery through civil litigation. These firms will present their recommendations to the Board and the Board will decide on the appropriate course of action on a case-by-case basis. The action may include "Lead Plaintiff" status but in some cases the Board may determine that the Fund's interests are sufficiently protected by participating as a member of a class action. These law firms will receive no compensation from the Board unless they are successful in achieving a financial recovery for the Board, at which time they will receive a portion of the settlement, as agreed with the Board.