

News Release



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Colorado PERA Reaches \$15.5 Million Settlement With Qwest

DENVER—The Colorado Public Employees' Retirement Association (PERA) announced today that the state's largest retirement system has reached a \$15.5 million settlement with Qwest, the Denver-based telecommunications company. A class action settlement with Qwest was announced on January 5, 2006, but citing excessive attorney fees and an inadequate recovery, PERA elected to forego the class recovery and pursue its own action against Qwest. PERA General Counsel Greg Smith stated, "the recovery in the class action amounted to less than one cent on the dollar of damages caused by Qwest's massive financial fraud. The strength of our case warranted a more substantial recovery on behalf of our members and beneficiaries." Retirement systems from the states of Alaska, Florida, New York, and Texas joined with Colorado PERA in initiating this successful separate proceeding.

By participating in the separate proceeding, PERA recovered an amount 38 times greater than it would have if it had remained a part of the class action lawsuit. PERA's approximate recovery as a part of the class would have been only \$400,000.

The law firm of Entwistle & Cappucci LLP of New York, which was used by the pension systems in the separate proceeding, charged a fee of only 5 percent of the recovery while the legal counsel to the class ultimately had their requested fee of 24 percent reduced by the Court to 15 percent of the class recovery.

Colorado PERA has been on the forefront in shareholder rights and corporate governance issues and actively participates in securities litigation brought against companies that have defrauded their investors. In 2006, PERA was the lead plaintiff in the Royal Ahold securities class action and attained a settlement of \$1.1 billion, which was at the time, the largest international securities class action recovery in history.

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Colorado PERA Trustee and State Treasurer Cary Kennedy stated, “Colorado’s public employees should take comfort in the fact that PERA continues to be vigilant in protecting their retirement and securing their financial future.” She further noted that “PERA has been a leader in actions that protect the retirement investments made on behalf of the state’s public employees.”

Mark Anderson, Chair of the PERA Board of Trustees, said “the PERA Board and staff take fulfilling their fiduciary responsibility to PERA’s members and retirees very seriously; being involved in cases such as the separate proceeding against Qwest demonstrates our ongoing commitment to protecting the benefits of our current and future retirees.”

Colorado PERA provides retirement and other benefits to 410,000 current and former employees of over 400 government and public entities in the state of Colorado. Colorado PERA is the 25th largest public pension plan in the U.S. with assets of \$42 billion.

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