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## **Class Action Filed on Behalf of Participants in State Pension Plan**

June 17, 2011 – Fischer, Goldasich & Aughtman, LLC and Pritchard, McCall & Jones, LLC filed a class action lawsuit in the Circuit Court of Montgomery County, Alabama, against Dr. David Bronner, the CEO and Secretary-Treasurer of the Retirement Systems of Alabama (“RSA”), and the various members of the RSA’s Boards of Control. The suit was filed on behalf of individuals who participate in the RSA, whether through the Employees’ Retirement System of Alabama (“ERS”) or the Teachers’ Retirement System of Alabama (“TRS”).

The RSA was established to provide benefits, including retirement pension funding, to state employees, state police, and persons employed by state-supported educational institutions, among others. The Complaint alleges that certain imprudent investments have caused the pension plan to trail the investment returns of other pension plans around the country. The Complaint further alleges that the RSA has purposely and admittedly invested RSA assets in Alabama golf courses, hotels, office buildings, condominiums, resorts, newspapers, and other ventures, all of which have historically yielded much lower returns than other available investments that the defendants could have or should have made. While the investment of RSA assets in these ventures may have been well intended, the lower returns they yield consequently require that more money be paid into RSA coffers so that the RSA can maintain the level of funding it needs to meet its’ distribution/payment obligations to retirees. As a result, the Alabama legislature recently passed a bill that was signed into law requiring that RSA participants contribute a higher percentage of their annual salaries to the RSA in an effort to protect the ongoing viability of the plan.

The lawsuit seeks a declaration by the Court that investments that are imprudent and expected to yield lower returns than other available investments are improper according to the law and regulations governing the management of participants’ money, and that such investments be disallowed going forward. The lawsuit further asks the Court to require the Board of Control of the RSA and the Chief Executive Officer of the RSA to comply with its statutory mandate and mission statement and put the interests of the participants in the RSA *first* and ahead of political side agendas by prudently investing RSA assets.

The Complaint is available online at [www.fglawgroup.com](http://www.fglawgroup.com).