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BEFORE THE BOARD OF
THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FRESNO COUNTY, CALIFORNIA

In Re Countywide Financial Opt-Out
Securities Litigation

RESOLUTION

WHEREAS the Board of Retirement Fresno County Employees' Retirement Association ("FCERA") met on Wednesday, October 6, 2010;

WHEREAS, FCERA has investments in certain securities of an entity formerly known as Countrywide Financial Corporation ("Countrywide"), which entity and certain of its officers are alleged to have engaged in securities fraud in connection with their mortgage origination business, and

WHEREAS, the current class action litigation has settled, subject to Court approval, however, even though FCERA has a loss, calculated on a FIFO basis of approximately \$2 million, under the proposed plan of allocation as part of the class action settlement, FCERA would not receive any recovery because of the particular pattern of purchases and sales of Countrywide securities during the class period, and

WHEREAS, one of FCERA's approved securities litigation counsel , Berman DeValerio of San Francisco, has recommended that FCERA consider opting out of the Class Action and possibly pursue its own individual case to recover some portion of all of its \$2million loss in Countrywide security and the deadline for filing an election to opt-out is October 18, 2010, and

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1 WHEREAS, the facts relating to FCERA's entitlement under the settlement and
2 thus reasons for considering opting out of the litigation required analysis of FCERA's
3 trading data, which analysis was not completed by Berman DeValerio, outside securities
4 counsel ,in time for the matter to be placed on the agenda in time for the October 6th
5 Board meeting, and

6 WHEREAS, the Retirement Administrator has the experience to determine
7 whether it is economically feasible for FCERA to elect to opt out of the class action and
8 pursue its own individual case, in consultation with outside securities counsel, and

9 WHEREAS, the Board has had the opportunity to be informed about this matter
10 and to question outside securities counsel in closed session,

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12 IT IS HEREFOR RESOLVES AS FOLLOWS:

- 13 1. The Board hereby authorizes the Retirement Administrator to exercise his
14 discretion to determine on or before October 18, 2010 whether it is in FCERA's
15 economic interest to opt out and pursue litigation as a individual party and
16 possibly join with other institutional investors or remain in the Countrywide
17 Securities litigation class settlement, giving due consideration to the potential
18 amount of recovery FCERA may obtain by pursuing such individual claim, the
19 reasonableness of any contingent fee agreement to be negotiated with outside
20 Securities counsel Berman DeValerio for representation of FCERA in such
21 litigation and any other factors relevant to making an informed determination on
22 or before October 18, 2010.

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2. The Board is satisfied that good cause has been shown, pursuant to California Government Code Section 54954.2(2)(b)(2) why this matter could not be timely listed on the Agenda for the October 6th Board meeting and also that such matter involve potential litigation and is thus appropriate for the Board to consider this matter in closed session.

Adopted at a regular meeting of the Board of Retirement of the Fresno County Employees' Retirement Association, held on the 6th day of October , 2010, by the following vote, to wit:

Ayes: *Cardenas, Cornacchia, Hackett, Jolly, Souza*

Nays:

Abstain:

Absent: *Cruego, Crow, Gomez, Larson*

Board of Retirement

By:



James E. Hackett, Vice Chair

Attest:

Elizabeth Anales