



## RICHARD CORDRAY

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### **\$400 Million Settlement in Marsh & McLennan Case**

*Brings amount recovered by Cordray in securities litigation to more than \$2 billion*

(COLUMBUS, Ohio) – Ohio Attorney General Richard Cordray today announced a \$400 million settlement in the class action securities lawsuit against Marsh & McLennan Companies, Inc., Marsh Inc., and former company executives Jeffrey Greenberg and Roger Egan (collectively “Marsh”). The settlement agreement negotiated by Attorney General Cordray and the New Jersey Attorney General on behalf of the lead plaintiffs holds Marsh accountable for its wrongdoing and requires Marsh to compensate investors for their injuries.

“Through violations of securities laws, Marsh harmed the investments and retirement benefits of workers in Ohio and across the country. This massive fraud was built on unethical and illegal practices and violated the best interests of clients and shareholders alike,” said Attorney General Cordray. “By serving as counsel to the lead plaintiff in the case, we were able to make sure that Marsh is held accountable and that workers, families and investors, including many in Ohio, are compensated for their losses.”

The Public Employees Retirement System of Ohio, the State Teachers Retirement System of Ohio and the Ohio Bureau of Workers’ Compensation, together with the State of New Jersey Department of Treasury, Division of Investments, have served as lead plaintiffs representing shareholders in the case.

Marsh is one of the world’s largest providers of insurance brokerage and consulting services. In the lawsuit against Marsh, the lead plaintiffs sought redress for investors who were harmed by Marsh’s failure to disclose a scheme that generated substantial earnings from illegal, anticompetitive arrangements with insurance carriers. The alleged scheme involved steering business to certain insurance carriers in exchange for kickbacks known as “contingent commissions.” According to the complaint, in some instances Marsh even generated fake bids to shield participating insurance carriers from competition. The alleged scheme violated numerous laws.

Marsh never revealed this scheme to the investing public, despite the huge role contingent commissions played in the company’s earnings. Marsh’s improper business practices came to light in October 2004 after an investigation revealed an industry-wide scandal involving price-fixing and improper bid manipulation activities. Within days of that news, Marsh & McLennan

Companies lost \$9 billion in market capital as its stock price collapsed. Shareholders, including many in Ohio, suffered tremendously.

The Ohio public pension funds and the Bureau of Workers Compensation noted their important role in remediating harm to investors:

“The OPERS Board of Trustees has been an active participant in securities litigation cases on behalf of our members and retirees,” said Ken Thomas, board chair. “This includes seeking compensation for unlawful behavior. We intend to continue an aggressive posture to protect the retirement dollars of active and retired public workers in the state of Ohio.”

“BWC and its Board of Directors are entrusted to protect, administer and maintain the funds needed to care for injured workers,” said BWC Administrator Marsha Ryan. “We joined this lawsuit, as a co-lead plaintiff, to send the message that we will go after those who act to harm Ohio’s workers’ compensation funds. This settlement allows us to recoup some of the losses incurred due to the wrongful acts of others.”

Attorney General Cordray, representing the Ohio Funds, has pursued an aggressive strategy of holding accountable those Wall Street companies and executives who harm Ohio investors, retirees, workers and families through violations of securities laws. At \$400 million, the Marsh settlement is one of the top 25 recoveries for shareholders in lawsuits of this nature in American history.

The Marsh settlement brings the amount recovered by Attorney General Cordray in securities litigation to more than \$2 billion. Recent settlements include \$284.5 million with secondary defendants in a case involving AIG; \$475 million with Merrill Lynch; and the cancelling of \$922 million in improperly granted stock options to corporate executives at UnitedHealth.

“We are standing up for investors, retirees, workers and families,” said Attorney General Cordray. “We won’t allow Wall Street companies and executives to get away with illegal practices that injure hard-earned investments and retirement benefits.”

Attorney General Cordray continues to represent the Ohio Funds in several major securities cases, including class action securities lawsuits against AIG, Bank of America, Fannie Mae and Freddie Mac.

Attorney General Cordray has drawn on the expertise of the law firm Grant & Eisenhofer, which served as lead counsel to the Ohio Funds in the Marsh litigation. The settlement is pending final approval in the U.S. District Court for the Southern District of New York.