

Bank of America Securities, Derivative & ERISA Litigation

Hollywood Police Officers' Retirement System is pleased to announce that a federal court in New York has granted preliminary approval to the derivative settlement reached in *In re Bank of America Securities, Derivative & ERISA Litigation*. It is important to remember that this is a settlement of the derivative case in which the Retirement System is a Lead Plaintiff. A derivative case is brought on behalf of the company, for the benefit of the company. In contrast, a class action is brought against the company for the benefit of individual shareholders. A class action was also filed against Bank of America and it is approaching an October trial date.

The federal court has scheduled a final approval hearing on the settlement on January 11, 2013. At this hearing, Judge P. Kevin Castel will determine whether to give final approval to the settlement. If given final approval, the Settlement will resolve all claims brought on behalf of Bank of America, against its board of directors, for their alleged misconduct in relation to Bank of America's acquisition of Merrill Lynch in late 2008. It will also put an end to a similar derivative case in Delaware state court. The Delaware case has been stayed pending the outcome of our final approval hearing in the New York federal court.

The settlement was achieved after three years of hard-fought litigation. The terms of the settlement require Bank of America to institute extensive corporate governance reforms, including the creation of an independent, board-level committee that will be responsible for oversight of the Bank's potential mergers and acquisitions. The Retirement System is committed to sound corporate governance practices, and supports these reforms because they confer substantial benefits on Bank of America. The settlement will also result in a \$20 million cash payment to the Bank. This is an exceptionally large recovery in a derivative settlement, as many derivative settlements involve no cash payment at all. The Retirement System strongly supports the settlement, and believes that the substantial benefits it confers on Bank of America will add significant value to all of the Bank's shareholders.