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Michigan Appointed Lead Plaintiff in AIG Securities Case
Pension Funds and Investors Lost Billions through Investments in
Sub-prime Mortgage Market Insurer

State Treasurer Robert J. Kleine and Attorney General Mike Cox today announced that the State of Michigan has been appointed lead plaintiff in a class action lawsuit against American International Group, Inc (AIG). AIG was heavily invested in insurance-like contracts called Credit Default Swaps, which were tied to the subprime mortgage market.

As lead plaintiff, Michigan will manage the litigation on behalf of a class of AIG stock and bond purchasers, negotiate potential settlement terms, and seek to maximize the recovery for the class. If the case goes to trial, the lead plaintiff makes all strategy decisions.

"The State of Michigan has an obligation to protect the pension funds for more than 574,000 participants and retirees," said State Treasurer Kleine. "Our decision to pursue Lead Plaintiff status sends a clear message that we will take every step necessary to recover lost funds and ensure our investments do not fall victim to fraudulent activity."

AIG is one of the world's largest insurance and financial services companies, serving commercial, institutional and individual customers through worldwide property-casualty and life insurance networks. AIG companies also provide retirement services, financial services, and asset management.

The class-action lawsuit alleges that AIG violated federal securities laws by misleading investors about the value of the company's Credit Default Swaps and other investments tied to the subprime mortgage market during the class period covered by the lawsuit, November 10, 2006 to June 6, 2008.

"We are putting investment firms on notice; you will be held accountable for reckless actions that put the retirements of thousands of Michigan residents at risk," said Cox.

The State has retained the Pennsylvania law firm of Barrack, Rodos, and Bacine and the Miller Law Firm of Michigan as its counsel. Those firms will also serve as Co-Lead Counsel for the Class.

The State of Michigan Retirement Systems (SMRS), which invests on behalf of Michigan Public School Employees, State Employees, State Police, and Michigan Judges, holds combined assets of approximately \$40 billion.

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