Interview with Robert Weissman, President of Public Citizen

Founded in 1971, Public Citizen is a nonprofit organization with a mission to champion "citizen interests before Congress, the executive branch agencies, and the courts. " Public Citizen does not participate in partisan political activities or endorse candidates for elected office. Notable Public Citizen accomplishments include helping create the Consumer Product Safety Commission, successfully petitioning for the ban of numerous carcinogens from drugs and the workplace, the passage of safety regulations for cars, and winning a number of Supreme Court cases, including rulings forbidding lawyers and other professionals from fixing pricing and establishing that the First Amendment protects commercial speech. Mr. Weissman's areas of expertise include financial accountability and corporate responsibility, which he has written on extensively. He holds a law degree from Harvard Law School.

Spotlight Interview[1] with Robert ("Bob") Weissman

Michael Eisenkraft ("ME"): *Bob, in your opinion, what are some of the biggest opportunities for pension funds and other institutional investors to contribute to the common good?*

Robert Weissman ("RW"): Exercising their responsibility and authority as owners of major corporations. They have a long term perspective and they should use their ownership stake to move companies away from short term decision-making based on daily stock market ticks and towards long term value building.

ME: *Could you give some examples of short term decision making by corporations that should be discouraged?*

RW: Stripping investment in research and development would be one example. Another example would be slashing wages and imposing the worst possible working conditions. That sort of treatment of employees is detrimental to the long term development of a work force that will be committed to the company.

ME: *You mentioned that institutional investors should exercise their authority as owners. What exactly did you mean by that?*

RW: Investors, especially pension funds, should be active shareholders. They should vote their shares and do so mindfully. They should dialogue with management and, when necessary, support resolutions and policies that management might not favor. They should also get involved in regulatory issues. We have successfully pushed the Securities and Exchange Commission to consider a corporate political spending disclosure rule which requires corporations to disclose the political contributions they make.

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[1] This interview has been edited and is not a verbatim transcript.

We believe that corporations should not make partisan political contributions, but if they do, they should be disclosed. Pension funds should support this rule.

ME: *There is a lot of discussion about ethical investing and the responsibilities of pension funds. Could you tell us your thoughts about this and any interplay with the responsibility of pension funds to maximize financial returns and minimize risk for their beneficiaries.*

RW: Pension funds are not social service agencies. They have the duty to make payouts, that is the first order of business. That being said, pensioners are real people who live in communities. It does not make sense for pension funds to invest in companies that damage communities and harms pensioners. Instead, they should invest in companies that directly benefit the communities where beneficiaries live.

ME: *Could you give some specifics about what you mean?*

RW: When investing a portfolio, there are sometimes a tradeoff between higher returns and ethical concerns. Perhaps a pension fund should consider some industries off limits, like tobacco, because of the harm they cause communities and constituents. Other industries, like housing, could have a very positive effect on the community where the constituents of the pension fund live. Pension funds might want to consider a tilt towards companies that adhere to a higher ethical standard.

ME: *In your opinion, what role should public pension funds and other institutional investors play with regard to corporate governance issues?*

RW: Management self-dealing or paying themselves highly is not in anybody's interest. The same goes with stacking boards. Reform in these areas is very welcome and pension funds have been at the forefront of these efforts. In addition to these efforts, pension funds can and should do more. Compensation of executives is a very important ethical issue as, uncontrolled, it can drive inequality. The current remedies for that issue are not robust. Say on pay is an excellent step, but far too weak. There should be more restraint on executive pay.

One critical role that pension funds play, and this was alluded to earlier, is that they are long term shareholders whose interests are not governed by day by day or even minute by minute stock movement. Pension funds need to make sure that management is thinking long term and not forced into a short term mindset that is contrary to investors' long term interests. On that front, pension funds should be supportive of modest speculation taxes to remove the focus on short term fluctuations in shares by high speed traders. Europe is moving towards imposing a very small tax of 0.1% on stock sale transactions and lower level derivatives. Some bills in Congress take the same approach. This very small tax could raise quite a bit of money and reduce churn in markets due to high speed traders.

ME: *In your view, what are some of the most important actions pension funds and other institutional investors should take today?*

RW: The existence of large pension funds themselves is a tool for economic equality. The fact that pensions are provided to large numbers of people is an important mechanism to advance economic equality, so just by paying their beneficiaries, pension funds are doing a great deal of good. What pension funds should also do is think about their beneficiaries' needs in a larger sense. Pension funds may not be sufficient to provide retirement security for their beneficiaries without government programs like Social Security and Medicare. To the extent that pension funds can lend their voices to the defense of those vital government programs, they would be doing a real service to their beneficiaries.

COHEN MILSTEIN

National Law Publications Award Cohen Milstein Top Honors

The National Law Journal selects Cohen Milstein to its Plaintiffs' Hot List for the third year in a row

Every year, The National Law Journal (NLJ) takes the pulse of the plaintiffs bar by examining its most successful practices. To identify them, they asked readers to nominate firms in the United States that have done exemplary, cutting-edge work on the plaintiffs side. The NLJ looked for firms that scored at least one significant plaintiffs win between June 30, 2012, and July 1, 2013, and that possessed an impressive track record of wins within the past three to five years. They also conducted their own extensive research through court files, news reports and chats with co- and opposing counsel.

Among the significant cases leading to Cohen Milstein's Hot List selection are:

Countrywide MBS Litigation in which Cohen Milstein negotiated the largest federal mortgage-backed securities class action settlement to date. In August, a California federal judge gave preliminary approval to a $500 million settlement with Countrywide Financial Co. and other defendants sued by investors over allegedly dodgy mortgage-backed securities. Partner Julie Goldsmith Reiser said the firm "aggressively" litigated the case, even after the judge adopted a narrow position on potential liability.

The NLJ also made mention of the $219 million settlement in the Beacon/Madoff ERISA fraud case and Cohen Milstein's burgeoning practice involving public sector clients. Having a variety of practice areas allows firm attorneys to "learn from one another," Reiser said.

In re Urethanes Antitrust Litigation in which the firm was part of a team suing chemical companies over an alleged price-fixing scheme involving the production of polyurethanes. In February 2013, a federal jury in Kansas found against The Dow Chemical Co., awarding the plaintiffs $400 million. The judgment, which is on appeal, stands at more than $1 billion after trebling. The NLJ highlighted the work of Partner Richard Koffman who was described by co-counsel as "very conscientious, very professional [and] very smart."

Law360 Names Cohen Milstein a "Most Feared Plaintiffs Firm"

In naming Cohen Milstein among its “Most Feared Plaintiffs Firms,” Law360 reported that the Firm has “proven a formidable foe for defense teams, securing more than $1 billion for plaintiffs in antitrust and mortgaged-backed securities class actions.” Law360 went on to cite the victories that landed the firm a spot on the Most Feared Plaintiffs Firms list. These include multiple mortgage-backed securities litigation class actions and the *In re Urethanes Antitrust Litigation* described above. In the multiple mortgage-

backed securities (MBS) cases, Cohen Milstein recently negotiated a history-making $500 million settlement in the Countrywide MBS litigation. The Firm's successes also include a $100 million settlement reached in July on behalf of the New Jersey Carpenters Health Fund over mortgage-backed securities issued by Residential Accredit Loans Inc. In 2011, the firm reached a $90 million settlement on behalf of a class of investors in a class action against a unit of MF Global Holdings Ltd.

Cohen Milstein Receives First Tier Ranking in the Third Annual Edition of Benchmark Plaintiff

Benchmark Plaintiff 2014 has ranked Cohen Milstein as "Highly Recommended - Plaintiff," the publication's top ranking. It also recognizes six Cohen Milstein attorneys as "litigation stars."

Litigation stars at Cohen Milstein include:

Christopher Cormier – Antitrust
Agnieszka Fryszman – Civil Rights and Human Rights
Julie Reiser – Civil Rights and Human Rights, Securities
Joseph Sellers – Civil Rights and Human Rights
Daniel Sommers – Securities
Steven Toll – Securities

After significant independent national research and reference checking, Benchmark Plaintiff: The Definitive Guide to America's Leading Plaintiff Firms & Attorneys identifies those firms and attorneys who have displayed the ability to consistently handle complex, high-stakes cases in multiple jurisdictions. The results of the national research are then broken down into rankings for eight separate specialized legal practice areas for antitrust, civil rights/human rights, employment/labor, insurance, intellectual property, mass torts/products liability, personal injury and securities.