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Pension Funds Seek to Join Suit to Oppose Forced Shareholder Arbitration

CalPERS and Colorado PERA File Intervention in Lawsuit

Washington, DC — Colorado Public Employees' Retirement Association (PERA) and California Public Employees' Retirement System (CalPERS) filed a motion to intervene in an anti-investor [lawsuit](#) demanding that Johnson & Johnson (J&J) allow shareholders to vote on a forced arbitration proposal. The two funds provide retirement security to millions of public workers including teachers, firefighters and police officers. The [Secure Our Savings Coalition](#), a group of more than 40 national and state-based consumer and investor advocacy organizations, commends the pension groups for their action to protect their investors from forced arbitration.

“These pension funds represent millions of workers who put their life savings in our markets when saving for retirement. Forced arbitration would put those life savings at risk by weakening both fraud deterrence and shareholders’ ability to recover fraud losses,” said Barbara Roper, Director of Protection for Consumer Federation of America, a leading member of the SOS coalition. **“Unfortunately, there are times when pension funds must resort to litigation to protect the investments of their beneficiaries against wrongdoing corporations; the goal of this anti-investor lawsuit is to deny shareholders of that right. If they can’t participate in class actions, most pensions, like individual shareholders, won’t be able to afford to bring claims at all. This would reward misconduct and allow corporations to escape accountability.”**

In December 2018, an anti-investor activist named Hal Scott, who frequently works with entities representing large corporate interests, filed a proposal with J&J that would strip investors of their right to seek accountability in court. Scott’s maneuver did not pass muster with the U.S. Securities and Exchange Commission who issued a no action response in February, allowing Johnson & Johnson to leave the question off of their shareholder ballot. His first attempt having failed, Scott and two additional lawyers filed [suit](#) against Johnson & Johnson demanding a vote on the forced arbitration proposal.

“It is so important that actual investors become a party to this lawsuit, to advocate for the rights and interests of shareholders,” stated Paul Bland, executive director of Public Justice, a member of the SOS coalition. “I applaud these pension funds for stepping forward to make certain that investor voices are directly heard by the court as the case progresses.”

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The [Secure Our Savings](#) (SOS) Coalition is comprised of more than 40 national and state-based organizations. It assembled to call on the U.S. Securities and Exchange Commission (SEC) to stand by its mission and longstanding policy of empowering and protecting American investors, including retired servicemembers, first responders, and teachers, by safeguarding their right to join together to hold law-breaking corporations publicly accountable in a court of law. To stay up to date on SOS Coalition activities, visit <https://secureoursavings.com>.