



SECURITIES CLASS ACTION RISK RATINGS HELP PREDICT FUTURE LITIGATION

FOR IMMEDIATE RELEASE

Portland, Maine; March 2, 2009 – The Corporate Library’s Securities Litigation Risk Analyst (SLRA) Ratings continued to prove effective throughout 2008 in predicting future securities litigation, according to a new report by the independent corporate governance research firm. The report examines the current state of securities class action (SCA) activity and the predictive ability of the SLRA Ratings, which use [corporate governance risk](#) factors to measure [securities class action risk](#).

The report’s key findings include:

- Securities litigation increased in 2008, likely due to the fact that about half of the year’s SCA activity was in the financial services industry, whose extraordinary losses have precipitated the current economic crisis.
- As in previous years, nearly 60 percent of the SCAs in our coverage universe occurred at companies that had been assigned a High or Very High Risk SLRA Rating.
- The Corporate Library’s focus on corporate governance risk resulted in the assignment of a Very High Risk SLRA Rating to most of the troubled financial services companies well in advance of their being sued. Problematic CEO compensation practices and over-boarding were among the governance factors that drove the rating.

Director & officer (D&O) liability insurance underwriters rely on SLRA Ratings to measure securities class action risk related to corporate governance. “Based on these results, we continue to recommend that D&O underwriters investigate very carefully any company assigned a High or Very High Risk SLRA rating,” said Chief Analyst Ric Marshall, author of the report. “We recommend a particular emphasis on those assigned a rating in the Very High Risk range, where the highest incidence of future SCAs have been shown to occur.”

The report, titled “Securities Litigation Risk Analyst: 2008 Year-End Report,” is available for free from The Corporate Library’s online store at www.thecorporatelibrary.com.

###

About The Corporate Library

Now celebrating its tenth year, The Corporate Library is an independent research firm that provides corporate governance information products, research services and data to a broad variety of clients including institutional investors, corporations, D&O liability insurers, law firms, accounting firms, executive search firms, academic institutions and the media. The Corporate Library produces the definitive ratings of U.S. corporate boards of directors, allowing businesses that subscribe to the service to evaluate governance as an element of investment and other risk. The Corporate Library is also a leading publisher of corporate governance reports and studies, including reports on CEO employment contracts, governance practices, mutual fund proxy voting, and executive and director compensation, which its analysts compile using its extensive database of over 3,200 public companies and over 47,000 executives and directors. Additional information

on The Corporate Library and its suite of online corporate governance data and analysis products can be found on its website at www.thecorporatelibrary.com.

Contact:

Cheri Grimmert

Media Relations, The Corporate Library

media@thecorporatelibrary.com

207 553-5604