
For immediate release
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SDCERA Files Fraud Lawsuit to Recover Amaranth Losses

SAN DIEGO COUNTY – Representing the retirement benefits of approximately 35,000 current and former San Diego County employees, the San Diego County Employees Retirement Association (SDCERA) filed a Complaint for securities fraud against Amaranth Advisors, LLC (Advisors), three of its officers, and its former natural gas trader, to recover losses suffered by SDCERA on its investment in the Amaranth Partners, LLC hedge fund. As explained in SDCERA's suit, Amaranth collapsed in September 2006 as a result of excessive and unbridled speculation in natural gas futures that was directly contrary to statements made to SDCERA that Amaranth would be diversified and risk controlled.

The lawsuit was filed in the U.S. District Court for the Southern District of New York on March 29, 2007 against Advisors, which was Amaranth's manager; Advisors's principals, Chief Investment Officer Nicholas Maounis, Chief Operating Officer Charles Winkler, and Chief Risk Officer Robert Jones; and its former trader Brian Hunter.

David Myers, Chairman of SDCERA's Board of Trustees, said, "We invested in Amaranth because Mr. Maounis and the other officers of Amaranth told us that a team of highly experienced professionals would carefully manage our pension funds. Instead, as we state in the suit, they turned our money over to Mr. Hunter, who in my opinion was an absentee rookie trader located thousands of miles from Amaranth's office." SDCERA's suit alleges that Mr. Hunter made bet-the-fund natural gas investments that were more concentrated, volatile, leveraged, and illiquid than represented. Mr. Myers added, "We filed the lawsuit to correct the wrong committed against SDCERA and its members."

SDCERA is an independent association established by California's County Employees Retirement Law of 1937, which governs 20 California county retirement systems. SDCERA provides retirement benefits for approximately 35,000 eligible public employees, former public

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employees who are vested, and retirees of the County of San Diego. SDCERA is the top performing public pension fund over the last 10 years as measured by the Wilshire Trust Universe Comparison Service (TUCS).

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