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## Press Release

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For immediate release  
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### **SDCERA will appeal Amaranth decision**

SAN DIEGO — The U.S. District Court for the Southern District of New York dismissed San Diego County Employees Retirement Association's case against Amaranth Advisors, LLC and certain individuals, arising from the collapse of the \$6 billion Amaranth hedge fund. SDCERA, representing the retirement benefits of approximately 36,000 current and former San Diego County employees, is disappointed with the court's decision and will be filing an appeal. SDCERA had filed the complaint for securities fraud against Amaranth in 2007. The motion to dismiss had been under submission by the court for over 2-1/2 years.

The court ruled to dismiss the case primarily because the SDCERA contract contained routine disclaimers that advise on some level of risk. SDCERA argued that the disclaimers did not excuse the type of excessive and unreasonable conduct that led to Amaranth's collapse – which still stands as one of the biggest financial disasters in American financial history.

"We're disappointed with the court's ruling" said Brian White, Chief Executive Officer. "None of those disclaimers advised us that Amaranth was going to break the law. It was never in our contract that Amaranth could engage in behavior for which they would later be sanctioned by the Federal Energy Regulatory Commission. Disclaimers weren't a license for Amaranth to do whatever it wanted at the expense of its clients."

In 2009, the Federal Energy Regulatory Commission (FERC) and Commodity Futures Trading Commission (CFTC) approved a settlement requiring Amaranth to pay more than \$7 million to the U.S. Treasury for violating anti-manipulation rules. In addition, in January 2010, a FERC administrative law judge issued an Initial Decision against Brian Hunter, Amaranth's energy

trader and a defendant in SDCERA's case, finding after a full evidentiary hearing that Mr. Hunter violated federal law.

SDCERA was the only investor to file a claim against Amaranth for fraud, although other parties injured by Amaranth's conduct have pursued litigation against Amaranth and its officers as well.

SDCERA is an independent association established by the County Employees Retirement law of 1937, which governs 20 California county retirement systems. SDCERA provides retirement benefits for approximately 36,000 eligible current and former employees, and retirees of the County of San Diego.