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ATTORNEY GENERAL MADIGAN RECOVERS \$20 MILLION FOR ILLINOIS PENSION SYSTEMS***Madigan Recoups \$20 Million to Pension Funds in Settlement with Royal Bank of Scotland Over Sale of Risky Mortgage-backed Securities***

Chicago — Attorney General Lisa Madigan today announced a \$20 million settlement with Royal Bank of Scotland as a result of the bank's misconduct in its marketing and sale of risky residential mortgage-backed securities (RMBS) leading up to the 2008 economic collapse.

The settlement with Royal Bank of Scotland resolves an investigation by Madigan's office over the bank's failure to disclose the true risk of RMBS investments.

"With this settlement, I have recovered over \$475 million for Illinois pension systems and residents as a result of fraudulent conduct in the mortgage-backed securities market," Madigan said. "Nearly a decade after the economic crisis, I continue to recover critical funds for the state due to Wall Street's misconduct."

Under the settlement, Royal Bank of Scotland will pay \$20 million to the State of Illinois. The settlement proceeds will be distributed among the Teachers Retirement System of the State of Illinois, the State Universities Retirement System of Illinois, and the Illinois State Board of Investment, which oversees the State Employees' Retirement System.

The settlement is the eighth settlement addressing the sale of mortgage-backed securities during the lead up to the economic collapse. Madigan previously settled with JPMorgan Chase & Company for \$100 million to Illinois' pension systems; with Citigroup for \$44 million to the state's pension systems and an additional \$40 million in consumer relief; with Bank of America for a record \$300 million, including \$200 million to Illinois' pension systems and an additional \$100 million in consumer relief; with Morgan Stanley for \$22.5 million to the state's pension systems; and with Goldman Sachs for \$25 million for the state's pension systems and \$16 million in consumer relief. Madigan also secured a \$52.5 million settlement with Standard & Poor's and a \$19.5 million settlement with Moody's to resolve allegations that the companies compromised their independence by doling out high ratings to risky mortgage-backed securities as corporate strategies to increase its revenue.

Attorney General Madigan has led the country in taking legal action against banks, lenders and other financial institutions for unlawful financial misconduct that contributed to the country's economic collapse. Madigan's enforcement actions have recovered over \$3.3 billion for consumers, communities, county recorders and pension funds.

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