THREE DOZEN MAJOR GROUPS & INDIVIDUALS CAUTION U.S. SUPREME COURT AGAINST ROLLING BACK INVESTOR RIGHTS AND UNLEASHING CORPORATE MISCONDUCT

Nation's Highest Court Can Show "No Company is Too Big or Too Powerful to be Held Accountable": Sign-On Statement Features Coalition of 38 Consumer, Investor, Labor Organizations & Individuals; Oral Arguments in Goldman Sachs Less Than One Week Away.

WASHINGTON, D.C. – March 24, 2021 – New concerns are being expressed today by a wide-ranging group of organizations and experts who are urging the U.S. Supreme Court to uphold the rights and protection of investors against corporate misconduct. In a sign-on statement from 38 groups and individuals the authors warn the pending case "has potentially far-reaching and devastating implications" for investors and market integrity

The concern centers on *Arkansas Teacher Retirement System v. Goldman Sachs Group Inc.*, which is scheduled to be taken up by the Supreme Court for oral arguments on March 29th.

The case dates back to the 2008 financial crisis in which the shareholders held shares in Goldman Sachs stock, which dropped sharply when it became apparent that the financial giant had engaged in conflict-of-interest financial trades. During this time when Goldman was profiting from playing one set of customers off against another, it continued to issue solemn public assurances that it had "extensive procedures and controls that are designed to identify and address conflicts of interest" and that "[o]ur clients' interests always come first." When the news of Goldman's practices finally surfaced, the price of the company's stock plummeted, and those investors who had placed their trust in Goldman's assurances about its high standards suffered heavy financial losses.

The statement on the case pending before the Supreme Court is signed by: American Federation of State, County and Municipal Employees (AFSCME), American Family Voices, The Committee for the Fiduciary Standard, Consumer Action, Consumer Federation of America, Fund Democracy, International Brotherhood of Teamsters, Service Employees International Union (SEIU), U.S. PIRG, Virginia Citizens Consumer Council.

Individual signers of the statement include: Phyllis Borzi, Former Assistant Secretary, U.S. Department of Labor, James D. Cox, Professor of Law, Duke University School of Law, Erik F. Gerding, Professor of Law, University of Colorado Law School, and Michael Greenberger, Professor of Law, University of Maryland Carey School of Law.

As the statement notes: **"… as Goldman continues to try and evade accountability by fighting against the class action moving forward, the issue before the Supreme Court is not whether the investors should ultimately prevail, but simply whether the investors will even be allowed the opportunity to have their arguments heard."**

"We believe that no company should be able to hide behind procedural issues to avoid accountability for clear misconduct. For over ten years, Goldman Sachs has done just that; fighting to prevent the case from moving forward to a discussion on the merits. Second, no

company should be able to claim that the public statements they make about their high standards of conduct are meaningless. Indeed, the statements Goldman Sachs made about managing conflicts and acting in customers' best interest carry specific regulatory meaning and thus cannot be dismissed as mere 'puffery.' Lastly, we believe that investors' right to hold corporations accountable in court for securities fraud is critical to both deterring fraud and recouping investor losses. Together with strong government enforcement, private securities litigation helps to deter fraud and ensure the integrity and stability of the US capital markets."

"Millions of Americans today are deeply disillusioned about the integrity of our markets, convinced that the markets are rigged against them. With this critical case, the Supreme Court has the opportunity to help restore their faith by showing that no company is too big or too powerful to be held accountable. Our hope is that, by allowing defrauded investors the right to seek accountability, the Court will make it clear that words do matter and companies have a responsibility to speak truthfully."

In a news conference on March 18th, leading pension, consumer, and legal experts outlined the stakes at play when the U.S. Supreme Court hears oral arguments on March 29th in the Goldman Sachs case. To see that news event in its entirety, please go to https://www.youtube.com/watch?v=nk04klp8Cvo.

On March 3rd, six former U.S. Securities and Exchange Commission commissioners – including SEC Chairs William H. Donaldson and Arthur Levitt, Jr. – were among those cautioning the Supreme Court in an amicus brief about the peril of allowing Goldman Sachs to avoid facing an investor lawsuit related to false and misleading claims that the investment world giant admits that it made. Amicus briefs in opposition to Goldman Sachs also were filed by state securities regulators, investor advocates, pension funds, and others.

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