



California State Teachers' Retirement System

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CalSTRS Joins Legal Action Against Massey Energy Directors

Shareholder complaint cites “abysmal safety record” leading up to April tragedy.

WEST SACRAMENTO, CA – The California State Teachers Retirement System (CalSTRS) has teamed with two other institutional investors in a shareholder lawsuit against officers and directors of Massey Energy (NYSE: MEE), pointing to an abysmal safety record leading up to the tragedy in a West Virginia coal mine in April.

CalSTRS joins Amalgamated Bank and Manville Trust as plaintiffs in the action. In the amended complaint filed in Kanawha County (West Virginia) Circuit Court on Monday, CalSTRS cited a consistent failure in corporate governance, including a failure to institute appropriate safety compliance oversight and monitoring. The plaintiffs ask the court to “hold the individual defendants accountable for their misconduct, and thereby to prevent future disasters.”

The complaint charges that CEO Don Blankenship and the rest of the Board breached fiduciary duties owed to Massey Energy and its shareholders “by consciously ignoring the company’s obligations to comply with federal and state law.”

As laid out in the amended complaint, Mine Safety and Health Administration (MSHA) documents, statements of current and former Massey Energy miners, media reports, and testimony before U.S. Senate and House Committees suggest systemic mine safety compliance problems at the company.

During the 12 months prior to the April 5, 2010 explosion, Massey Energy’s Upper Big Branch mine had been cited 38 times for “mine ventilation” violations and received 37 complaints of “accumulations of combustible materials,” both of which conditions have been implicated in the deadly blast.

In April, CalSTRS and eight other pension funds wrote to Lead Independent Director Bobby Ray Inman raising their concerns. The company’s inadequate response led the same group to file an SEC Notice encouraging shareholders to withhold votes for the re-election of three Board members named as defendants.

The California State Teachers' Retirement System, which owns more than 336,000 shares of Massey Energy, has a \$138 billion portfolio and is the second largest public pension fund in the

United States. It administers retirement, disability and survivor benefits for California's 848,000 public school educators and their families from the state's 1,400 school districts, county offices of education and community college districts.

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