



**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

June 4, 2013

South Carolina State Budget and Control Board Members  
South Carolina PEBA Board Members

Dear Members:

The State of South Carolina has settled the State's case against the Bank of New York. Though the Settlement terms place some limits on our ability to give public statements about the case, we have been able to release the Settlement and Mutual Release Agreement pursuant to the FOIA.

While we are limited in the public comments that can be made about the Settlement, I am able to answer questions about the Settlement from both the Budget and Control Board and the PEBA Board. I will be pleased to do so. If the Boards are interested in learning more about the legal process and strategy employed in the case, I will also endeavor to make the State's counsel available for a confidential legal briefing. As it relates to the legal briefing, confidentiality is necessary because Counsel is prohibited from making any public statements about the case and litigation. If either Board would like a briefing on the Settlement, please contact my office so that we can arrange it.

Both the Treasurer's Office and the Attorney General's Office are pleased with the Settlement. We believe that it provides substantial cash and non-cash benefits to the State and that it is a win for the State's taxpayers, citizens and retirees.

I look forward to providing you helpful information about the Settlement.

Yours very truly,

A handwritten signature in blue ink, reading "Curtis M. Loftis, Jr.", is written over the typed name and title.

Curtis M. Loftis, Jr.  
State Treasurer

CMLjr/afw