

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**IN RE MARSH & MCLENNAN COMPANIES,
INC. SECURITIES LITIGATION**

**CIVIL ACTION
NO: 04-CV-08144 (CM)**

**DECLARATION OF CAROL G. JACOBSON, ESQUIRE, IN SUPPORT OF FINAL
APPROVAL OF THE SETTLEMENT, AN AWARD OF ATTORNEYS' FEES AND
REIMBURSEMENT OF EXPENSES, AND AN AWARD TO THE NEW JERSEY
PLAINTIFFS OF REIMBURSEMENT OF REASONABLE COSTS AND EXPENSES
INCURRED IN REPRESENTATION OF THE CLASS**

Carol G. Jacobson, Esquire, hereby declares, under penalty of perjury, as follows:

1. I am an Assistant Attorney General in the Office of the New Jersey Attorney General, Department of Law and Public Safety, Division of Law (the "NJDOJ"). Since May 2006, my duties have included providing legal advice in the above-captioned action (the "Action"), to Co-Lead Plaintiff the State of New Jersey, Department of the Treasury, Division of Investment ("NJDOI"), on behalf of itself and the Common Pension Fund A, the DCP Equity Fund and the Supplemental Annuity Collective Trust Fund (the "New Jersey Plaintiffs"). I directly represented the New Jersey Plaintiffs in the prosecution and settlement of this Action and have had frequent and regular contact with the New Jersey Plaintiffs' outside counsel, Bernstein Liebhard LLP ("Bernstein Liebhard"), throughout the course of this litigation.

2. I submit this Declaration in support of the final approval of: (i) the proposed settlement; (ii) an award of plaintiffs' counsel's attorneys' fees and reimbursement of expenses; and (iii) an award to the New Jersey Plaintiffs of \$144,657.14 for the reimbursement of the reasonable costs and expenses incurred in

connection with their representation of the Class. The statements contained herein are based upon my personal knowledge and upon information made available to me in my official capacity.

A. General Background

3. The NJDOL is required by legislative act to provide legal advice and counsel to the divisions and departments of the State of New Jersey, including the NJDOI. My unit of the NJDOL, the Pension Securities Unit, provides legal advice and counsel to the NJDOI relating to its involvement in securities fraud litigation. In that role, which the NJDOL takes very seriously, the attorneys in my unit oversee and supervise all of the activities of outside law firms representing the NJDOI.

4. The NJDOL has substantial experience coordinating with and monitoring outside counsel for the NJDOI because it has performed that role in numerous securities fraud class actions, including, among others: *In re Tenet Healthcare Corp. Securities Litigation*, No. CV-02-8462-RSWL (C.D.Cal. Dec. 3, 2008); *In re Elec. Data Sys. Corp. Sec. Litig.*, 226 F.R.D. 559 (E.D. Tex. 2005), *aff'd sub nom. Feder v. Elec. Data Sys. Corp.*, 429 F.3d 125 (5th Cir. 2005); *In re Sears, Roebuck & Co.*, Civ. A. No. 02-C-7527 (EEB) (N.D. Ill. Feb. 2, 2004); and *In re Motorola Sec. Litig.*, No. 03-C-287, 2003 WL 21673928 (N.D. Ill. July 16, 2003).

5. During the period October 14, 1999 through October 13, 2004, inclusive (the "Class Period"), the New Jersey Plaintiffs purchased shares of Marsh & McLennan Companies, Inc. ("MMC") stock. Following the large decline in the price of MMC stock in October 2004, which resulted from the disclosure of MMC's (and its subsidiaries')

fraud and improper business practices, the NJDOI, advised by NJDOL, undertook an investigation and began to consider legal action against MMC.

6. The New Jersey Plaintiffs suffered substantial losses as a result of the disclosure of MMC's (and its subsidiaries') fraud and improper business practices. For that reason, among others, the New Jersey Plaintiffs were highly motivated to see that a recovery was maximized for the Class to the greatest extent possible.

7. Accordingly, the New Jersey Plaintiffs decided to seek appointment as a lead plaintiff in the Action and carefully considered retaining outside counsel to litigate the Action. Bernstein Liebhard was ultimately selected.

8. By order dated January 26, 2005, the Honorable Shirley Wohl Kram appointed the New Jersey Plaintiffs and the Public Employees Retirement System of Ohio, the State Teachers Retirement System of Ohio, the Ohio Bureau of Workers' Compensation ("Ohio Plaintiffs"), as Lead Plaintiffs. Bernstein Liebhard, counsel for the New Jersey Plaintiffs, and Grant & Eisenhofer, P.A., counsel for the Ohio Plaintiffs, were appointed Co-Lead Counsel.

B. The Litigation of the Action

9. At the direction of the NJDOI, I, along with my colleague, Samuel S. Cornish, Esq., a Deputy Attorney General in the NJDOL, and other members of NJDOL, carefully monitored, and were actively involved in all aspects of, the prosecution of the Action, and oversaw and supervised all of the activities of Bernstein Liebhard on behalf of the Class and the New Jersey Plaintiffs. Among other things, my unit and other attorneys at the NJDOL: (i) reviewed, commented on, revised, and approved all pleadings, briefs, discovery requests, and other papers that were prepared by Bernstein

Liebhard before they were exchanged and/or filed and submitted to the Court, the Special Master, and the mediator; (ii) reviewed all pleadings, briefs, discovery requests, and other papers filed by the defendants in this Action; (iii) had extensive and regular telephonic and email communications, as well as in-person meetings, with Bernstein Liebhard, regarding strategy and developments in the Action; (iv) oversaw and assisted NJDOI personnel in responding to discovery requests over the course of nearly two years, during which the NJDOI produced over 175,000 pages of documents and also provided answers to interrogatories; (v) reviewed and approved responses and objections to discovery requests, as well as briefing in response to the Marsh Defendants' motions to compel the New Jersey Plaintiffs to produce additional documents, drafted by Co-Lead Counsel; (vi) reviewed and approved the retention of experts and consultants; (vii) fully participated in all mediation sessions held in New York; and (viii) fully participated in settlement discussions on behalf of the Class and the New Jersey Plaintiffs.

10. In addition to regular communications with Bernstein Liebhard, the NJDOL required that Bernstein Liebhard provide detailed status reports concerning the Action to the NJDOL. These status reports provided a general overview of litigation developments – including a list and description of all motions filed and matters decided as well as all discovery events that had taken place since the prior status report – and a review of litigation costs and expenses and professionals' time records.

11. In connection with our service as a lead plaintiff and proposed class representative, the New Jersey Plaintiffs spent a significant amount of time on matters related to class certification. In this regard, we searched for, organized, and delivered to Bernstein Liebhard, over 175,000 pages of documents for production concerning, among

other things, the New Jersey Plaintiffs' transactions in MMC securities. We also prepared and appeared for the depositions of four witnesses who testified on behalf of the New Jersey Plaintiffs: (i) William Clark (Director, NJDOI); (ii) Jeffrey Lebowitz (Portfolio Manager, NJDOI); (iii) Gail del Castillo (Manager of LAN and e-mail services, New Jersey Department of Treasury, Office of Treasury Technology); and (iv) Susan Lawless (former NJDOI outside counsel who testified as a 30(b)(6) witness concerning document issues). We also were kept apprised by Bernstein Liebhard of the depositions of the Ohio Plaintiffs that were taken by the defendants. Further, Mr. Cornish and I reviewed and commented on all briefs filed by Bernstein Liebhard on our behalf relating to class certification. Finally, on behalf of the New Jersey Plaintiffs, I submitted a declaration in support of Lead Plaintiffs' motion for class certification.

12. I regularly reported the status of the Action to the NJDOI and we discussed, among other things, strategy and discovery.

13. No major decisions were made by Co-Lead Counsel in this case without the prior review and approval of the NJDOI, together with the NJDOL.

C. Settlement Discussions

14. Because of our close supervision of the Action and our prior experiences serving as a lead plaintiff in securities class actions, the New Jersey Plaintiffs believed that we were well-positioned and qualified to evaluate the reasonableness and adequacy of the various settlement proposals, and to formulate settlement positions on behalf of the Class.

15. Over the course of more than one and one-half years, Retired Judge Daniel Weinstein convened multiple mediation sessions in New York and California. These

sessions were contentious and covered many complex issues. I attended each of the mediation sessions that took place in New York, including the mediation session on October 14-15, 2009 that precipitated the settlement.

16. In addition, New Jersey Attorney General Anne Milgram and NJDOL Director Theodore B. Van Itallie Jr., were also actively involved in settlement negotiations as offers were presented for our consideration.

17. On November 10, 2009, the parties reached an agreement in principle to settle the Action. The agreement was subject to approval by both Attorney General Milgram and the NJDOI. This office actively supervised and commented on the terms of the proposed settlement and their memorialization in the Stipulation and Agreement of Settlement and related documents.

18. Based on our involvement in the prosecution and settlement of this Action, the New Jersey Plaintiffs strongly endorse the settlement, and believe it provides an excellent result for the Class.

D. The Plan of Allocation

19. Based on the explanation of the analysis of the proposed Plan of Allocation completed by Lead Plaintiffs' retained consultant in the Action, we also endorse the proposed Plan of Allocation. We understand that the Plan represents a fair and reasonable method for valuing claims submitted by class members, and for distributing the net settlement funds to class members who submit valid and timely claim forms.

E. Plaintiffs' Counsel's Fee and Expense Application

20. As a lead plaintiff, the New Jersey Plaintiffs take very seriously their role to ensure that the attorneys' fees are fair in light of the result achieved for the Class and reasonably compensate plaintiffs' counsel for the work involved and substantial risks they undertook in litigating the Action.

21. The New Jersey Plaintiffs endorse the application for attorneys' fees of 13.5%. The New Jersey Plaintiffs believe that this payment represents fair and reasonable compensation to Co-Lead Counsel for their efforts, for the excellent result achieved, and the substantial risks undertaken in this Action.

22. Moreover, such fees are consistent with the fees that the New Jersey Plaintiffs negotiated with Bernstein Liebhard at the outset of the litigation, and with the lodestar cross-check figures set forth in the Joint Declaration.

23. I understand that this fee payment, if approved by the Court, will cover all plaintiffs' counsel who contributed to the prosecution of the Action. The New Jersey Plaintiffs believe that such approval is warranted as the payment represents a fair and reasonable fee to plaintiffs' counsel for their efforts in prosecuting the Action along with the Ohio Plaintiffs and Co-Lead Counsel.

24. I have thoroughly reviewed, on a regular basis throughout the course of this litigation, Bernstein Liebhard's litigation expenses in this case, including, among others, all administrative fees, and investigation and litigation support fees. I have also reviewed the litigation fund expenses paid by Co-Lead Counsel, including, among others, expert witness fees (which were fully vetted prior to the retention of such experts) and expenses associated with electronic discovery and the mediation process. Based on these

reviews, the New Jersey Plaintiffs further believe that the litigation expenses being requested for reimbursement were reasonable and necessary for the prosecution and successful resolution of the Action.

F. The New Jersey Plaintiffs' PSLRA Expense Reimbursement Application

25. As discussed in greater detail in paragraphs 9-17, the New Jersey Plaintiffs spent considerable time and incurred reasonable costs and expenses directly related to its representation of the Class, including, but not limited to: (i) overseeing and assisting NJDOI personnel in responding to discovery requests over the course of nearly two years, during which the NJDOI produced over 175,000 pages of documents and also provided answers to interrogatories; (ii) preparation of the New Jersey Plaintiffs' witnesses for deposition, attendance at their depositions, and review of their deposition transcripts; (iii) attendance at Court hearings and mediation sessions; (iv) review of all pleadings and briefs filed by all parties and revising and commenting on pleadings and briefs filed on behalf of the New Jersey Plaintiffs; and (v) regular communications with Bernstein Liebhard. The reasonable cost amounts are set forth below:

Name	Hours	Rate	Reasonable Costs
Carol G. Jacobson, Assistant Attorney General	277.0	\$175/hour (Deputy AG with 10+ yrs. exp.) (through 1/16/09)	\$48,475.00
	131.0	\$200/hour (Assistant Attorney General) (from 1/16/09)	\$26,200.00
Samuel S. Cornish, Deputy Attorney General	377.6	\$135/hour (Deputy AG with less than 5 yrs. exp.) (through 12/31/08)	\$50,976.00
	5.0	\$155/hour (Deputy AG with 5-10 yrs.	\$775.00

		exp.) (from 1/1/09)	
William G. Clark Director of the Division of Investment	42.0	\$104/hour	\$4,368.00
Jeff Lebowitz, Portfolio Manager, Division of Investment	28.0	\$57.85/hour	\$1,619.80
Gail del Castillo, Manager of LAN and Email Services, New Jersey Department of the Treasury	6.0	\$52.65/hour	\$315.90
Barry Litwin Paralegal, New Jersey Department of Law	78.0	\$55/hour	\$4,290.00
Angel Torres, New Jersey Department of Law, MIS Department	1.0	\$50.90/hour	\$50.90
Susan Sarnowski, Head of Compliance, Division of Investment	0.5	\$53.85/hour	\$26.93
Celeste Brennan, ret. Former Assistant to William G. Clark	0.75	\$51.15/hour	\$38.36
Kathy Kelly, New Jersey Department of the Treasury, MIS	0.5	\$50.90/hour	\$25.45
Maria McCovoy, New Jersey Department of the Treasury, MIS	0.15	\$52.65/hour	\$7.90
Allan Dixon, New Jersey Department of the Treasury, MIS	0.15	\$49.42/hour	\$7.40
Donnette Brown, Attorney Assistant	36.1	\$55/hour	\$1,985.50
Susan K. Fischer, Senior Deputy Attorney General (10+ yrs. exp.)	3.0	\$175/hour	\$525.00
Victoria Manning, Deputy Attorney General (10+ yrs. exp.)	27.9	\$175/hour	\$4,882.50
Aimee Manocchio- Nason, Deputy Attorney General (10+ yrs. exp.)	.5	\$175/hour	\$87.50

TOTAL	1015.15		\$144,657.14
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26. The charts above show that the New Jersey Plaintiffs spent a total of \$144,657.14 in time and expenses in performing their role as lead plaintiffs and class representatives. The hourly rates currently used to calculate the attorney expenses above are at the low end of those prevailing in Newark, New Jersey. The remaining hourly rates are based on each employee's salary.

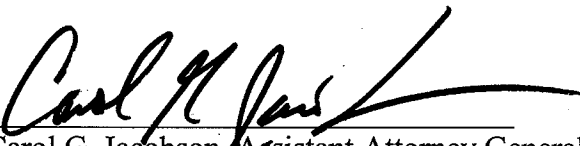
27. In light of the work performed by the New Jersey Plaintiffs and the fulfillment of their fiduciary obligations to the Class, the New Jersey Plaintiffs believe that the costs and expense payment is fair and reasonable and warrants this Court's approval.

CONCLUSION

28. Accordingly, the New Jersey Plaintiffs respectfully request that the Court approve the settlement and the attorneys' fee and litigation expense reimbursement application and reimbursement to the New Jersey Plaintiffs of the reasonable costs and expenses incurred in prosecuting the Action on behalf of the Class in the amount of \$144,657.14.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed this 18th day of December, 2009



Carol G. Jacobson, Assistant Attorney General
Office of the New Jersey Attorney General,
Department of Law and Public Safety, Division of Law

CERTIFICATE OF SERVICE

The undersigned, hereby certifies that the foregoing declaration / exhibit in support of its referenced motion was served with the clerk of the Court using the ECF system, which will send notification of such filing to all counsel of record identified on the Court's ECF service list.

I additionally certify that the counsel listed below have been additionally served with the same documents via electronic mail.

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Executed: December 18, 2009

/s/ Keith M. Fleischman

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