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LIUNA Pension Funds Submit More Shareholder Proposals Than Ever Before

*Union that Showed Foresight by Sounding the Alarm on the Root Causes of
America's Economic Crisis Pushes Reforms to Prevent Future Collapses*

Washington, D.C. (December 16, 2008) – Pension funds for LIUNA - the Laborers' International Union of North America – have engaged over 75 corporations and will submit more than 30 shareholder proposals in 2009. The effort is by far the most significant demonstration of shareholder activism in the union's history.

A key component of LIUNA's shareholder efforts are proposals submitted to companies participating in the \$700 billion Wall Street bailout under the Emergency Economic Stabilization Act's Troubled Asset Relief Program (TARP). LIUNA's proposal calls for more rigorous executive compensation reforms that the union believes will significantly improve the pay-for-performance features of each company's plan and help restore investor confidence. The executive compensation proposals go further in addressing the serious shortcomings of executive compensation plans at companies taking advantage of the financial bailout than the restrictions passed by Congress which are reported to contain serious loopholes. Executive compensation proposals were filed at **Bank of America, Key Corp., JP Morgan and Comerica Bank.**

In addition to the executive compensation proposal, LIUNA Pension Funds filed shareholder proposals to improve corporate accountability, stability and disclosure. These proposals include requiring independent board chairs, majority vote standards in director elections and the adoption and disclosure of a written and detailed succession planning policy. Such reforms are considered best practices by corporate governance experts. Independent board chairmen proposals were filed at **Walgreen, Boston Properties, Vornado Realty, Lowe's, Moody's and Standard and Poors.** Majority vote proposals were filed at **NRG Energy, Insituform and Acadia Realty.** Succession planning proposals were filed at **Whole Foods, Black and Decker, Iron Mountain, Fortune Brands, Ebay, Etrade and Citigroup.**

“Corporate irresponsibility has resulted in the loss of jobs, homes and retirement security for millions of working Americans,” said Terry O’Sullivan, LIUNA General President. “As investors, we are more active than ever in putting forth a set of proposals that will help protect shareholders in the future and to minimize the chance that a similar economic catastrophe recurs.”

SEC Standing in the Way

LIUNA Pension Funds filed similar shareholder proposals last year but the SEC stood in the way of many proposed reforms by issuing “no action” statements telling companies that the agency would not require them to place the shareholder proposals on proxy statements. Granting no action effectively blocks the proposals and encourages other companies to ignore similar efforts by shareholders.

Last year, the SEC granted no action statements on shareholder proposals that would have required major financial services corporations to examine their relationships with credit rating agencies in an effort to ensure that sub-prime mortgage lending risk was disclosed. These conflict of interest proposals were filed at **Bear Stearns, Lehman Brothers, Washington Mutual, Citigroup, Moody's and Standard and Poors**.

“The list of companies where the SEC blocked our efforts to improve lending disclosure now reads like a graveyard of dead and dying companies from the housing and mortgage crisis,” said O’Sullivan. “These companies and our economy would have benefited had the SEC not blocked our efforts.”

Already this year, the SEC issued a no action statement on the shareholder proposal on succession planning that LIUNA submitted at **Whole Foods**. “The SEC is supposed to be an investor advocate, but they have made the situation worse by standing in the way of shareholder attempts to mitigate the crisis,” said O’Sullivan.

Corporate Homebuilders are a Key Focus of LIUNA's Shareholder Activism

As with 2008, corporate homebuilders will be a key focus of LIUNA's shareholder activism in 2009. Shareholder proposals regulating executive compensation and requiring increased accountability and transparency have been filed at **Toll Brothers, KB Homes, MDC Holdings and Pulte**.

Corporate homebuilders played a major role in the housing and mortgage crisis by overbuilding, stoking investor speculation which created a housing market bubble, and pushing risky mortgage packages through their lending subsidiaries.

Despite contributing significantly to America's economic recession, executives at large homebuilding corporations continue to receive multi-million dollar salaries and bonuses. At the same time, the industry is promoting instability by pushing for a taxpayer handout in the form of a net operating loss carry back extension. LIUNA believes the carry back extension will further decimate the housing market by providing an incentive for builders to dump existing inventory at any price or build new homes despite the lack of current demand, knowing they can carry back their losses and receive a massive tax break.

“The shareholder proposals filed at corporate homebuilders are designed to hold their leadership accountable and to restore long term stability to the industry,” said O’Sullivan.

LIUNA Calls for Reform

In addition to its shareholder activism, LIUNA is calling for increased regulation and oversight to eliminate some of the causes of our economic situation.

For example, limits on conflicts of interest between financial institutions and credit rating agencies would give investors a more accurate picture of risk. Also, prohibiting homebuilding companies to originate mortgages would eliminate the ability of builders to compensate for overbuilding by pushing risky mortgages on buyers.

“We have a free market economy but that doesn't mean that corporations should be free to ruin the economy,” said O’Sullivan. “We need real reforms to make sure that working people are not vulnerable to the bad decisions of corporate America.”

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The members of LIUNA – the Laborers' International Union of North America – are on the forefront of the construction industry, a powerhouse of workers who are proud to build America.