

Attorney General

Andrew Cuomo

FOR IMMEDIATE RELEASE

New York City Press Office / 212-416-8060

Albany Press Office / 518-473-5525

nyag.pressoffice@ag.ny.gov

STATEMENTS ON QUADRANGLE SETTLEMENT

Quadrangle stated:

Quadrangle is pleased to resolve this matter with the New York Attorney General Andrew M. Cuomo.

We wholly disavow the conduct engaged in by Steve Rattner, who hired the New York State Comptroller's political consultant, Hank Morris, to arrange an investment from the New York State Common Retirement Fund. It is our understanding that Mr. Rattner also arranged a DVD distribution deal for a movie produced by the Chief Investment Officer's brother in the middle of the investment decision-making process. That conduct was inappropriate, wrong, and unethical. Mr. Rattner is no longer with the firm and is not a part of today's settlement. Quadrangle will fully cooperate in the Attorney General's ongoing investigation of Mr. Rattner and others.

As a result of the Attorney General's investigation, we have taken other remedial steps to include replacing both our General Counsel and outside counsel from that time period, implementing new compliance policies and better aligning the firm with the interests of our investors.

We embrace the reforms in the Attorney General's Code of Conduct, including the campaign contribution and placement agent ban, which are vitally necessary to eliminate pay-to-play practices from the public pension fund investment process. We urge others in the industry to follow.

Richard Bamberger, Communications Director for the Attorney General, stated:

The principals involved in the conduct at issue here are no longer with Quadrangle. Under new management, Quadrangle has fully cooperated in this investigation and has also instituted appropriate remedial measures to include adopting our Code of Conduct.

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