
With BP Investments, Pensions Win or Lose

By Editor Test *Tue, Jun 22, 2010*

BP's falling share price has cost the NY state pension fund more than \$30 million, but NJ's public pension fund earned a \$5.5 million profit from its investment in BP plc.

The New York State Common Retirement Fund, one of the largest pension funds in the US, is looking into the possibility of filing a class action lawsuit against BP for recklessness, *Pensions & Investments* reported.

Robert Whalen, spokesman for state Comptroller Thomas DiNapoli, said: "We've been looking at all the options we have available, including potential litigation. We want to make sure if there was negligence or recklessness we are made whole appropriately," according to a *Wall Street Journal* report.

New York officials have estimated BP's plummeting share price has cost the \$133 billion state pension fund more than \$30 million since one of the oil giant's offshore drilling rigs in the Gulf of Mexico exploded on 20 April. The New York State Common Retirement fund currently owns more than 17.5 million BP shares.

Meanwhile, New Jersey's \$68.9 billion public pension fund earned a \$5.5 million profit from its investment in BP plc, selling about half of its holdings before an April 20 explosion at the British oil giant's offshore well in the Gulf of Mexico caused a massive and continuing oil spill.

The New Jersey Department of Treasury's Division of Investment, Trenton, which manages investments for seven public retirements systems within the state pension fund, began selling BP shares in early January and completely ended its ownership of BP stock by May 11, a department spokesman said.

New Jersey's pension system bought BP shares over several years, ending in September 2009. With a cost basis of just under \$460 million and total share sales amounting to about \$465 million, the pension system earned about \$5.5 million.

"We felt oil prices would be volatile or would fall," a spokesman said. "We felt BP had reached a peak and that it was time to cash in some of our gains."

After its last BP stock purchase in September 2009, the pension system held 51.94 million shares of BP that were traded on the London Stock Exchange and whose share price differs from the price of the company's American depositary shares traded on the New York Stock Exchange.

Between mid-January and April 9, New Jersey had sold about half of its shares. It sold the rest of the shares at several times after the oil well explosion. The New Jersey state pension fund still owns \$45 million in BP corporate bonds.

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