

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

CASE NO. 2011-CP-40-00533

The State Treasurer of the State of South
Carolina,

Plaintiff,

vs.

**AFFIDAVIT OF THOMAS J.
RAVENEL**

The Bank of New York Mellon Corporation
and The Bank of New York Mellon, f/k/a
The Bank of New York,

Defendants .

PERSONALLY appeared before me Thomas J. Ravenel, who, being duly sworn, says that:

1. I was duly elected as South Carolina's State Treasurer and served as State Treasurer from January 10, 2007 until July 24, 2007. The statements made in this affidavit are based on my personal knowledge except as otherwise noted.

2. During my time in office, the State Treasurer's office was responsible for the oversight and monitoring of investments made by or on behalf of the State, which would include investments made by The Bank of New York on behalf of the State as part of the securities lending program.

3. The Treasurer's office had knowledgeable, sophisticated staff who performed this oversight and monitoring, as well as sophisticated outside financial advisors who were available to advise us and assist in the oversight and monitoring if needed.

4. The Treasurer's office received regular monthly reports from The Bank of New York, showing exactly what our investments were, both inside and outside of

securities lending. Our office (and the Investment Commission) had a fiduciary duty to the people of South Carolina to review those reports and ensure the investments were appropriate, and we did so.

5. I was well aware during my time as Treasurer that The Bank of New York was, as part of securities lending, investing in asset-backed securities backed by mortgages ("ABS") on behalf of the State.

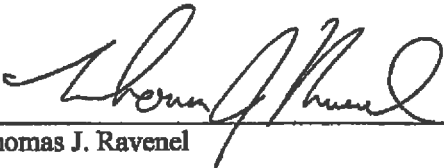
6. I believed that these were relatively safe investments for the State because the assets underlying these securities were mortgages that people had on their homes, which were historically safe investments.

7. During my time as Treasurer, I understood that the individual mortgages underlying the ABS would have longer maturities (maybe 30 years), but that tranches could be purchased with an expected final maturity that was much shorter (maybe 2-3 years) because of the priority of those tranches. The expected final maturity of the particular tranche being purchased is the more relevant date to an investor.

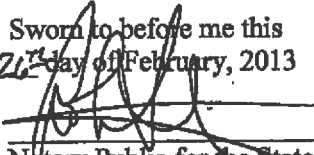
8. Consequently, I would have understood a 3-year limit on the "final maturity" of an ABS to refer to its expected final maturity, not the maturity of the underlying mortgages. We also understood that the expected final maturity of those securities was not a guarantee or legal requirement of full payment within that time; it was an expectation that was subject to change.

9. I do not believe that the collapse of Lehman Brothers was reasonably foreseeable by anyone in the investment community.

Further affiant sayeth not,



Thomas J. Ravenel

Sworn to before me this
26th day of February, 2013


Notary Public for the State of Florida
My Commission expires _____.

