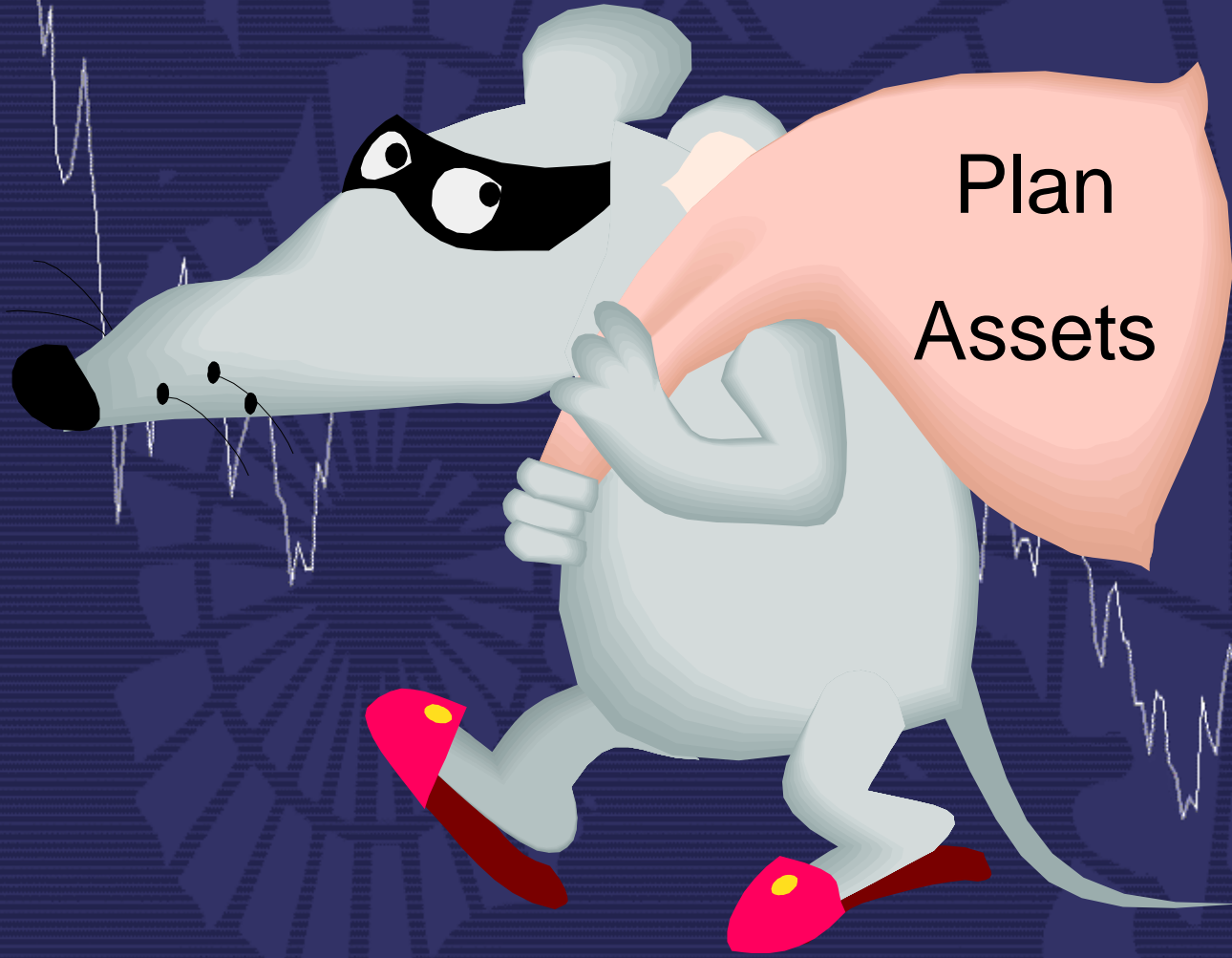
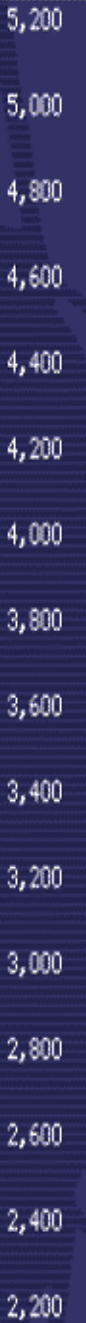




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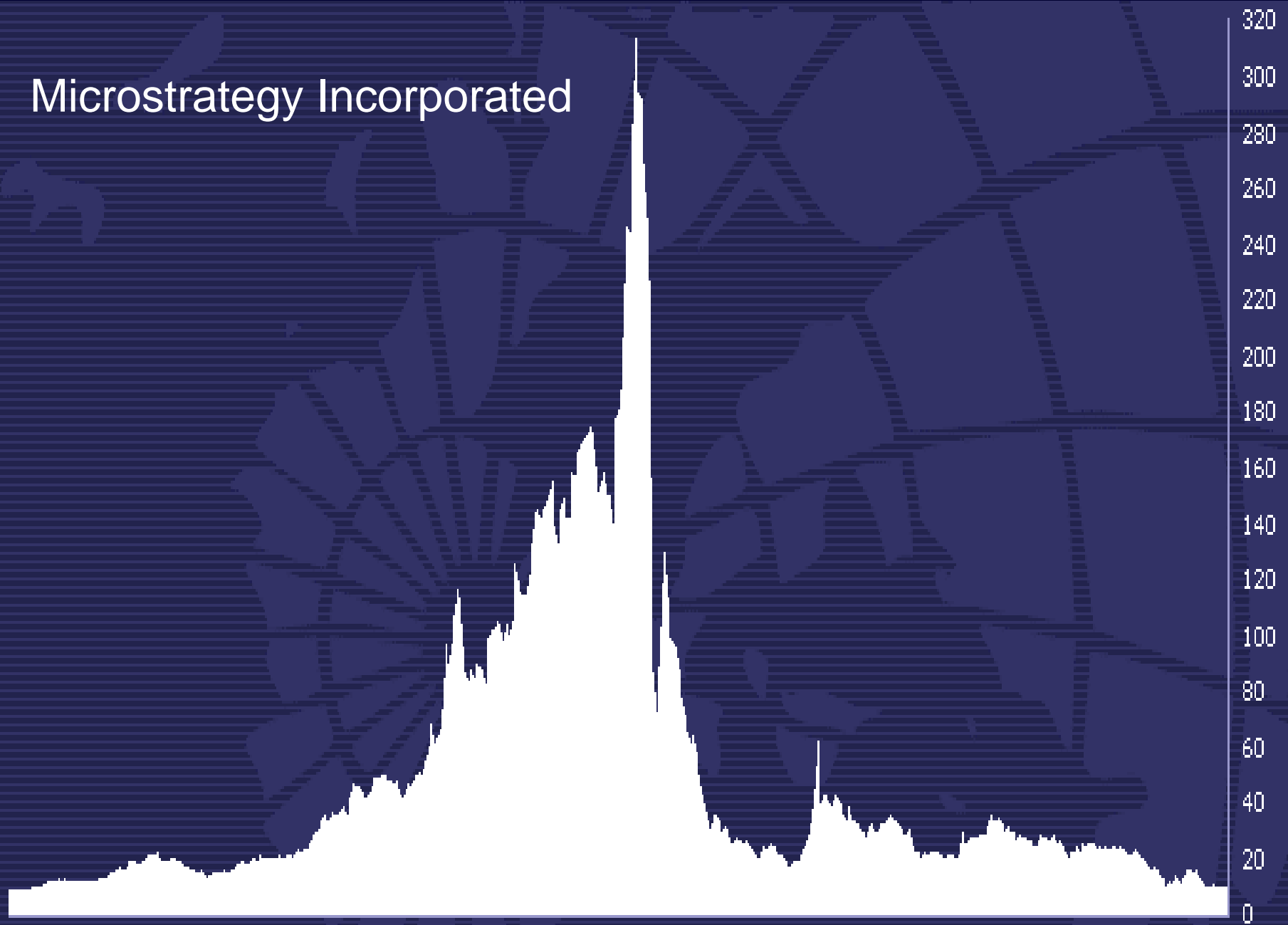
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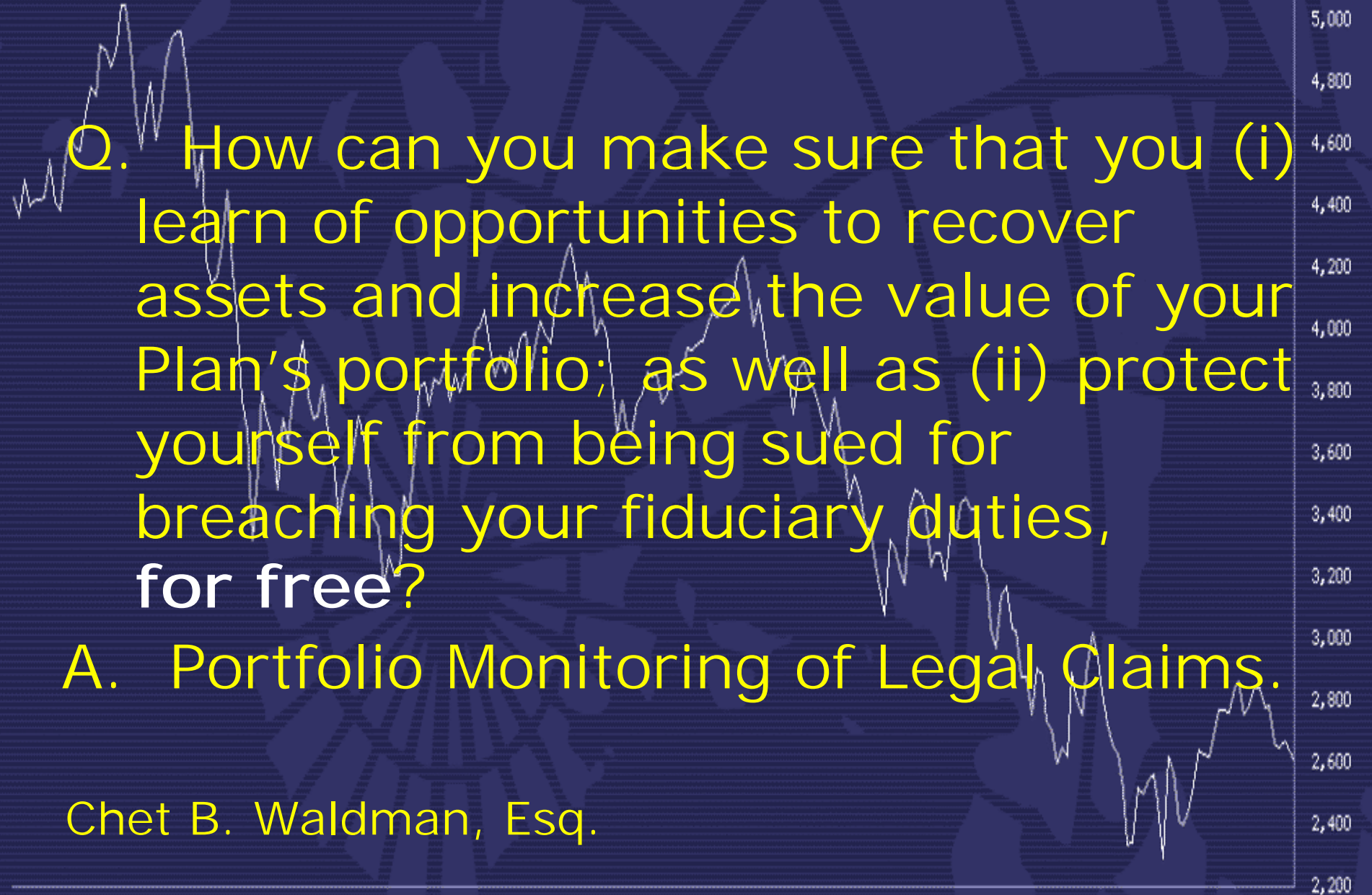
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Microstrategy Incorporated



Volume

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Q. How can you make sure that you (i) learn of opportunities to recover assets and increase the value of your Plan's portfolio; as well as (ii) protect yourself from being sued for breaching your fiduciary duties, **for free?**

A. Portfolio Monitoring of Legal Claims.

Chet B. Waldman, Esq.

Private Securities Litigation Reform Act of 1995

- “Private securities litigation is an indispensable tool with which defrauded investors can recover their losses without having to rely upon government action.”*
- A primary goal of the Reform Act was to encourage institutional investors to take a leadership role in securities actions to increase overall recoveries.

* Joint U.S. House and Senate Conference Committee

Reform Act: Joint Congressional Conference Committee Report

- **“The Conference Committee believes that increasing the role of institutional investors in class actions will ultimately benefit shareholders and assist courts by improving the quality of representation in securities class actions. Institutional investors are America's largest shareholders, with about \$9.5 trillion in assets, accounting for 51% of the equity market. According to one representative of institutional investors: ‘As the largest shareholders in most companies, we are the ones who have the most to gain from meritorious securities litigation.’”***

* Joint U.S. House and Senate Conference Committee Report

The image features a dense collage of US one million dollar bills. The bills are arranged in a grid-like pattern, with some overlapping. The central focus is a white rectangular box containing the text "Big Money – Cendant \$3.2 Billion". The bills are green and black, with the Statue of Liberty prominently featured on the front. The text "ONE MILLION DOLLARS" and "THE UNITED STATES OF AMERICA" is visible on the bills. The serial number "C34387296A" and the Atlanta, GA location are also present on several bills. The background is a dark green, textured surface.

Big Money – Cendant \$3.2 Billion



Satisfy fiduciary responsibilities

The Fiduciary Duty to Recover Plan/Fund Assets

- “A fiduciary has a duty to ‘take reasonable steps to realize on claims’ that are property of the trust, including claims in tort...”*
- “A fiduciary ‘cannot properly abandon claims affecting the trust property unless it reasonably appears that a suit would be futile or the expense of the litigation or the character of the claim would make it reasonable not to bring suit.’”**

* E. Weiss & J. Beckerman, “Let the Money Do the Monitoring. How Institutional Investors Can Reduce Agency Costs in Securities Class Actions”. 104 Yale L.J. 2053-2113 (1995) *quoting* Restatement (Second) of Trusts Sec. 177 (1959).

** *Id.*

- “If a third person commits a tort against trust property, the trustee has a duty to take reasonable steps to compel the tortfeasor to redress the injury...”*
- The court in that case recognized that “[w]hen the trustee fails to bring suit against a third party tortfeasor, the beneficiaries may properly bring an action against the trustees and third parties as co-defendants.”**



1 Witzman v. Gross, 148 F.3d 988, 990 (8th Cir. 1998) quoting Uselman v. Uselman, 464 N.W.2d 130, 137 (Minn. 1990); see also Anoka Orthopaedic Associates, P.A. v. Mutschler, 773 F. Supp. 158, 168 n. 16 (D. Minn. 1991).

2 Witzman, 148 F.3d at 991, citing Uselman, 464 N.W.2d at 137-38; see also Anoka Orthopaedic, 773 F.Supp. at 168.

Office of the New York State Comptroller

H. Carl McCall, State Comptroller



On August 14th, 1997, Carl McCall, New York's Comptroller, announced that he had filed suit on behalf of the New York State and Local Retirement Systems against Columbia/HCA. In filing that case Mr. McCall Stated:

"As sole trustee of the nation's second largest public pension fund I have an obligation to protect the investments we make ... Protecting the value of our stock holdings ... is my primary responsibility."

The Fiduciary Duty to Investigate Whether to Become Involved in Litigation

United States

DOL

Department of Labor



- “Not only is a fiduciary not prohibited from serving as a lead plaintiff, the Secretary believes that a fiduciary has an affirmative duty to determine whether it would be in the interest of the plan participants to do so. The Secretary has previously taken the position that it may not only be prudent to initiate litigation, but also a breach of a fiduciary’s duty to not pursue a valid claim.”*

* Secretary of Labor’s Memorandum of Law as Amicus Curiae in Support of FSBA’s Motion For Appointment As Lead Plaintiff in the Bragdon v. Telxon Corporation litigation, Civ. A. No. 5:98-CV-2876 (N.D. Ohio), at p. 6.

The U.S. Department of Labor's View

- “[A] fiduciary may have a duty to serve as lead plaintiff where no single individual has sufficient interest or resources to serve in such capacity or where, as a large stakeholder, the fiduciary has an interest in assuring that an alternate class representative with a less substantial stake in the outcome does not unduly compromise the interests of the class in settlement, fail to vigorously prosecute the actions, or fail to protect the interests of the class vis a vis its attorneys.”*

* Secretary of Labor's Memorandum of Law as Amicus Curiae in Support of FSBA's Motion For Appointment As Lead Plaintiff in the Bragdon v. Telxon Corporation litigation, Civ. A. No. 5:98-CV-2876 (N.D. Ohio), at p. 7.

The Fiduciary Duty to Monitor Investments



- With respect to pension funds, the Employee Retirement Income Security Act imposes rigorous fiduciary duties on fund managers in connection with managing plan assets.* The Department of Labor has stated that these duties extend to actively monitoring situations where “the activities of the plan alone, or together with other shareholders, are likely to enhance the value of the plan’s investment, after taking into account the costs involved.”**

* Employee Retirement Income Security Act of 1974, Sec. 404(a)(1)(B) (1974), 29 U.S.C. 1104(a)(1)(B) (1988 & Supp. II 1990).

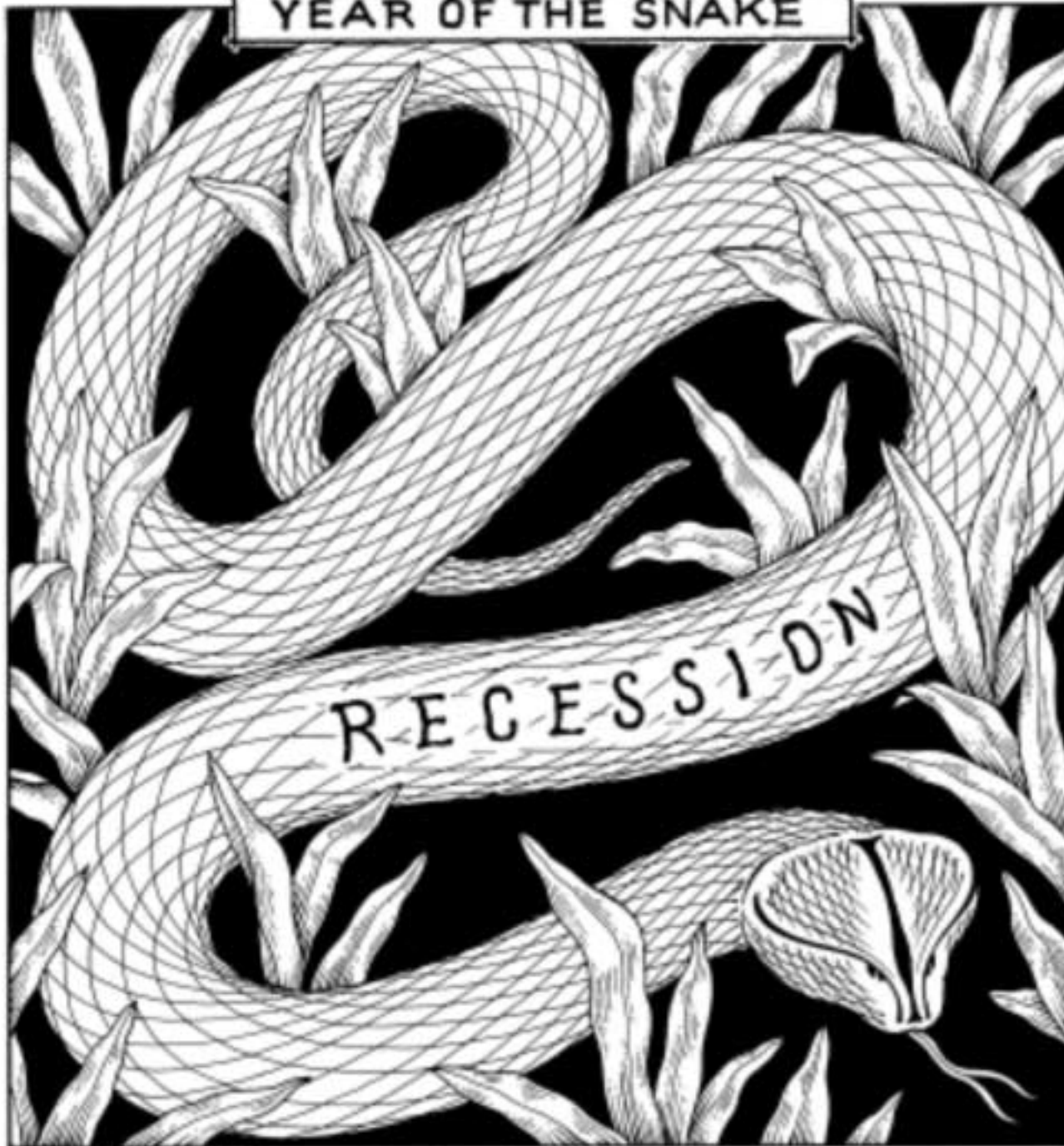
** Interpretive Bulletins Relating to ERISA, 59 Fed. Reg. 38,860, 38,860-61 (1994).



- “Had the staff and PAC [Pension Asset Committee] undertaken adequate investigation, deliberation, and monitoring activities, they all would have learned of these risks and other circumstances, and factored them into the decision of whether to make or maintain the investment. A fact finder could conclude that a reasonably prudent fiduciary, armed with all of this information, would have determined that the Granite investment contained significant risks and unknown dangers, and therefore was improvident.”*

* [Harley v. Minnesota Mining and Mfg. Co.](#), 42 F. Supp. 2d 898, 909 (D.Minn. 1999).

YEAR OF THE SNAKE



Potential Liability for Fiduciaries

- Personally Liable
- Can be Joint and Severally Liable
- Restoration of Plan Losses

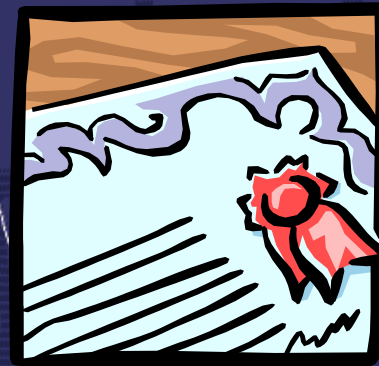


Settlement Claims Management

- Each year, millions of dollars are recovered for investors through securities class actions. But not all shareholders who are included in the class make a claim and receive their share of the settlement. Your fund can only receive a check if you complete the necessary paperwork. We make sure your fund does not leave money on the table.

Money Managers Do Not Monitor Portfolios from a Legal Standpoint, Lawyers Do Not Monitor Portfolios from a Financial Standpoint

- Money Managers do not have licenses to practice law.
- Money Managers have no experience in investigating or determining the validity of legal claims.

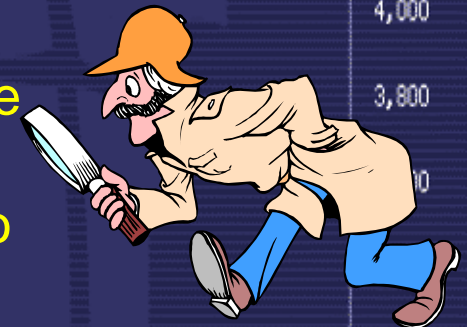


Appropriate Portfolio Monitoring Requires:

- Investigating potential legal claims on behalf of clients.

Having a diverse investigative team:

- Attorneys experienced in securities and corporate governance matters;
- Former Wall St. professionals devoted full time to monitoring/investigations;
- Forensic Accountants, experienced in criminal analysis of accounting misdeeds;
- Investigative consultants including former police officers, secret service agents, and private investigative firms.



Appropriate Portfolio Monitoring Requires:

- Having personnel and sophisticated resources devoted to monitoring news services and information databases for potentially relevant news;
- Monitoring key legal developments;
- A pedigree of prosecuting litigations successfully;
- Monitoring settlements for which clients may have claims.



Wolf Popper LLP

ALPHA RETIREMENT SYSTEM PORTFOLIO MONITORING REPORT - FEBRUARY 2001

During February 2001, actions were brought involving the following securities which are present in your portfolio:

- **Schering Plough Corporation** (See Exhibit 1 attached hereto)
Pharmaceutical company announces irregularities uncovered by the FDA
Class Period (inclusive) - July 25, 2000 - February 15, 2001
- **Emulex, Incorporated** (See Exhibit 2 attached hereto)
Company insiders sell \$34 million worth of stock and then announce that sales estimates were overstated
Class Period (inclusive) - January 18, 2001 - February 9, 2001
- **Nortel Systems** (See Exhibit 3 attached hereto)
Nortel announces that it will not achieve 2001 sales, revenue and profit forecasts
Class Period (inclusive) - November 1, 2000 - February 15, 2001
- **Pre-Paid Legal** (See Exhibit 4 attached hereto)
Pre-Paid Legal accused of accounting impropriety in The Wall Street Journal
Class Period (inclusive) - April 19, 1999 through January 16, 2001

The attached Exhibits provide more detailed information regarding the above-mentioned securities and initial analyses of these actions. We also provide our initial recommendations concerning what action the Alpha Retirement System Board might take with respect to each of these cases.

SCHERING-PLOUGH CORPORATION - NYSE: SGP (Data as of 2/28/01 unless otherwise indicated)

[Proposed] Class Period	July 25, 2000 through February 15, 2001
Date First Action Filed	February 16, 2001 (Federal District Court - Newark, New Jersey)
Lead Plaintiff Motion	
Filing Deadline	Tuesday April 17, 2001
Shares Outstanding/Float (10/31/00)	1,462,036,000 / 1,460,700,000
52 Week High/Low (per share)	\$ 60.00 (12/20/2000) / \$ 30.50 (3/7/2000)
Current Price (per share - 3/2/01)	\$ 38.01

Overview

Schering Plough Corporation ("Schering-Plough" or the "Company") is a pharmaceutical holding company that markets and develops over-the-counter and prescription drug products, as well as animal health products. The Company is based in Madison, New Jersey. Schering-Plough markets well know drugs such as CLARITIN, PROVENTIL, Dr. Scholl's, Afrin, Correctol and Gyne-Lotrimin.

On February 15, 2001 Schering-Plough issued a press release which disclosed problems in its prescription drug division which would affect the company's performance during calendar year 2001. The U.S. Food and Drug Administration (FDA) discovered problems at Schering-Plough's manufacturing facilities in New Jersey and Puerto Rico. These problems related to the Company's compliance with certain provisions of the Good Manufacturing Practices, which relate to drug production processes and controls. The problems require the Company to "install system upgrades and further enhance compliance, and other technical production and equipment qualification issues." Correcting these problems will diminish Schering-Plough's production capacity and thus diminish the Company's 2001 financial results, reducing earnings per share for the current quarter and year. The Company also disclosed that these GMP deficiencies must be resolved prior to the FDA granting approval of the Company's pending New Drug Application (NDA) for CLARINEX. The production impairment and the delayed release of CLARINEX will have a very significant impact on the Company's financial results, causing them to be materially below expectations.

The Company was aware of the FDA concerns as early as 1998 but made no apparent effort to ameliorate them. Schering-Plough failed to disclose these significant problems and made affirmative statements regarding its compliance with regulatory requirements while they had knowledge that such statements were false. These allegedly false statements and omissions purportedly caused the value of Schering-Plough shares to be artificially inflated during the class period.

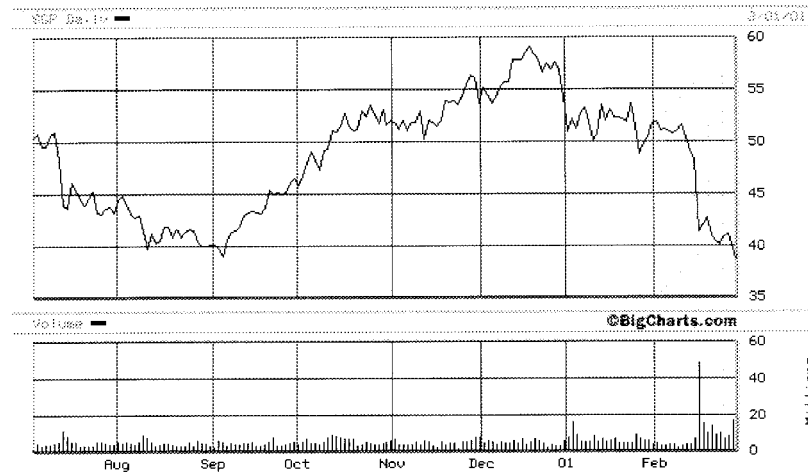
Damage Assessment

Your portfolio contains 1600 shares of Schering-Plough common stock which were purchased during the class period - on December 15, 2000. A very preliminary analysis suggests that the decline in value of your shares, which may potentially be linked to the fraud, is presently approximately \$10 per share. Your aggregate loss associated with shares purchased during the class period would therefore be approximately \$16,000. While the overall impact of the fraud-associated decline in share price may be much larger, only 1600 shares were purchased for the portfolio during the period of the fraud. However, if the class period is extended further into the past (prior to July 2000) it is likely that more of the portfolio's shares were purchased under false pretenses and as such, are directly damaged by the fraud described above.

Recommendation

At this point we do not believe that the Alpha Board needs to take any action with respect to its investment in Schering-Plough. The merits of this case seem to be fairly strong but based on the relatively small magnitude of loss caused by the fraudulent conduct, your interests will likely be adequately protected by the ongoing litigation. If there is evidence that the misrepresentations go back prior to July 2000 the Alpha Board and counsel should review this recommendation.

Schering-Plough Share Performance: (July 1, 2000 through March 2, 2001)





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