

# Seeking Good Advice? Steer Clear of Lazard

*Corruption, bad advice, and risky asset management practices should raise alarm*

**Problems with Lazard and its high-flying CEO Bruce Wasserstein are starting to raise the alarm. Get all the facts before you trust Lazard.**

From playing a role in the financial meltdown gripping our nation today to threatening the livelihoods of thousands of seniors, Lazard has a dubious record that public officials need to know about. Lazard has also been widely criticized by many Wall Street observers for Chair/CEO Bruce Wasserstein's excessive compensation (over \$41 million in 2007) and for the lack of a truly independent board.

## **Lazard's High Fees and Bad Advice**

- *Bear Stearns*: Lazard provided a "fairness opinion" letter to Bear Stearns directors in March stating that \$2 a share was a fair price for the firm. A few days later, they then told Bear Stearns' board that \$10 a share—5 times more—was also fair. Bear Stearns shareholders would have paid for Lazard's folly.
- *Northwest Airlines Bankruptcy*: In February, a judge rejected Lazard's request for an additional \$3.25 million "completion fee" on top of Lazard's \$5.6 million in "advisory services." The judge said Lazard had already been paid well enough. Lazard has appealed the decision.

## **Lazard's Municipal Bond Scandals: Corruption & Defrauding Government**

Throughout the 1990s, Lazard was the poster-child for corruption in municipal finance. Over the course of five years, the firm paid out \$44 million to settle multiple allegations of defrauding municipalities and the federal government.

## **Lazard's Risky Asset Management Practices: Atria Senior Living**

Atria Senior Living (one of the top senior living chains in the United States) is wholly owned by a private equity buyout fund affiliated with Lazard. Atria workers have been organizing with SEIU Healthcare for almost a year to improve their jobs and the quality of resident care. Atria and Lazard's response has been to expose the company to reputational and other risks by hiring one of the country's leading "union avoidance" firms, Jackson Lewis LLP to run an aggressive campaign against its own workers. The company has been under investigation by federal agencies such as the EEOC and the National Labor Relations Board for alleged violations.



For more information, visit [www.LazardUnveiled.com](http://www.LazardUnveiled.com)

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