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## HealthSouth stockholder groups vie for 'lead plaintiff' status

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Four interests jockeyed Friday to be named lead plaintiff in the stockholder suit brought against **HealthSouth Corp.** as a result of the company's more than \$2.6 billion accounting fraud.

By mid-day, pension and retirement interests in Michigan folded into the Public Pension Fund Group, which includes the Retirement Systems of Alabama (RSA) as well as retirement and pension funds in Mississippi, Louisiana, Arkansas and Colorado.

The consolidation left three competing groups vying for position - the Public Pension Fund Group, New Mexico State Investments and the Central States Pension Fund that represents labor interests.

At issue is whether U.S. Judge Karon Bowdre will name Central States lead plaintiff, when RSA already is the lead plaintiff in a related HealthSouth bondholders' case.

Thomas Dubbs, lead counsel for the New Mexico fund, told Bowdre Friday morning that RSA's dual leadership role could create a conflict of interest, and that's why the New Mexico fund wants to be lead plaintiff.

"There is a tension between representing the bond and the stock side, and the other states are merely spear carriers," Dubbs said.

John Coffey, counsel for the Public Pension Fund Group, argued that the group's strength comes from its numbers, not any one particular component.

"You have six states standing before you - a powerful, invigorating alliance," Coffey told Bowdre.

*Verna Gates is a Birmingham-based writer.*