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FOR IMMEDIATE RELEASE
FRIDAY, MARCH 28, 2008
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Institutional Investor Seeks Recovery from MoneyGram Over Investment Losses

MINNEAPOLIS, MN – A public pension fund filed a lawsuit today against MoneyGram International, Inc. for potential violations of the Securities Exchange Act of 1934. The lawsuit filing follows issuance of a Company press release on January 14, 2008, announcing that the Company had cumulative net unrealized losses of \$860 million due, in part, to heavy investments in asset-backed securities. On this news, MoneyGram's stock declined to \$6.15 per share, representing a one-day decline of 50%. The pension fund's concerns were affirmed on March 25, 2008, when the Securities & Exchange Commission (SEC) announced its investigation into MoneyGram's financial statements, reporting and disclosures related to its investment portfolio.

The lawsuit alleges that MoneyGram, through its Officers, issued false and misleading statements to its investors about the extent of its investments in asset-backed securities and the extent of its potential losses arising from exposure to asset-backed securities containing uncollectible debt. The Complaint alleges that the Company not only made reckless and unsustainable investments in mortgage-back securities but concealed the extent of its exposure. Further, the investors allege the Company lacked the requisite internal controls to ensure that the reserves for the Company's investments in asset-backed securities were adequate.

According to Zimmerman Reed attorney Carolyn Anderson, who represents the pension fund, "Real individuals lost real life savings here. Shareholders have every right to demand accountability where companies conceal material information from the public."

The pension fund's lawsuit was filed in the United States District Court for the District of Minnesota, as a class action on behalf of purchasers of MoneyGram common stock during the period between January 24, 2007 and January 14, 2008.

To learn more, a copy of the complaint can be found at www.zimmreed.com/moneygram.

The law firms of Zimmerman Reed and Coughlin Stoia Geller Rudman & Robbins represent the City of Ann Arbor Employees' Retirement System in this litigation.

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