

AMENDED MINUTES

The Oklahoma Firefighters Pension and Retirement Board met April 18, 2014 in the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK. Written notice was sent to Board members and interested parties, posted 24 hours before the meeting and filed with the Secretary of State in compliance with the Open Meeting Laws.

Chairman Casey Morrison called the meeting to order.

Members Present: Casey Morrison, Raanon Adams, Dana Cramer, Craig Freeman, Gerald Garrett, Jim Long, Mike Duncan, Jackie Carner, Janet Kohls, and Scott Vanhorn.

Others: Robert Jones, Executive Director; James Reynolds, Assistant Director; Duane Michael, Assistant Director; Terri Williams, Executive Secretary; Chase Rankin, Controller

Visitors: Troy Brown and Tim Nash, Bogdahn Group; Warren DeKinder, INTECH; Greg Zavoyna, Brandywine Asset Management

Absent: Brandy Manek, Frank Stone and Doug Jacobson

APPROVAL/MINUTES DATED MARCH 21, 2014:

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the minutes dated March 21, 2014. Ayes: Messrs. Garrett, Vanhorn, Morrison, Freeman, Cramer, Adams, Long, Kohls, Duncan, and Carner. Nays: None. Motion carried.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the Consent Agenda dated April 18, 2014. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

INTECH/WARREN DEKINDER:

Mr. DeKinder gave a presentation for INTECH.

| | 3 Months Ending <u>03/31/2014</u> | 1 Year Ending <u>03/31/2014</u> | 3 Years Ending <u>03/31/2014</u> |
|---------|---|---------------------------------------|--|
| INTECH | 1.88% | 22.24% | 15.02% |
| S&P 500 | 1.81% | 21.86% | 14.66% |

GREG ZAVOYNA/BRANDYWINE ASSET MANAGEMENT:

Mr. Zavoyna gave a presentation for Brandywine Asset Management.

| | 3 Months Ending <u>03/31/2014</u> | 1 Year Ending <u>03/31/2014</u> | 01/01/2013 Ending <u>03/31/2014</u> |
|-----------------------------|---|---------------------------------------|---|
| Brandywine Asset Management | 4.40% | 1.06% | 7.72% |
| Citigroup WGBI | 2.66% | 1.37% | 1.91% |

BOGDAHNS GROUP/ TROY BROWN & TIM NASH:

1. Presenting Manager Review.

Mr. Brown and Mr. Nash reviewed the presenting managers to the Board.

Mr. Brown and Mr. Nash suggested that Thornburg Investment Management be put on watch.

INVESTMENT COMMITTEE/GERALD GARRETT – CHAIRMAN:

1. Review Investment Performance.

Mr. Brown and Mr. Nash reviewed the monthly investment performance.

| | 3 Months Ending <u>03/31/2014</u> | 1 Year Ending <u>03/31/2014</u> | 3 Years Ending <u>03/31/2014</u> |
|------------------|---|---------------------------------------|--|
| Total Fund | 1.41% | 15.29% | 9.79% |
| Policy Benchmark | 2.01% | 14.18% | 10.82% |

2. Fixed Income RFP Candidate Review.

Motion was made by Mr. Garrett and seconded by Mr. Long to visit Garcia Hamilton and Associates, Orleans Capital Management, Ziegler Capital Management, and MacKay Shield. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

3. Low Volatility RFP Candidate Review.

The Board decided to withdraw the low volatility RFP.

4. IPS Target Asset Allocation/Rebalancing Discussion and Recommendation.

- 5.** Motion was made by Mr. Garrett and seconded by Mr. Long to approve a RFP for International investing. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Long to redeem all but \$75 million from Private Advisors and end the low volatility search. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Long to reduce the target allocation to Real Estate from 14% to 10% (-4%); reduce the target allocation to Other Assets from 11% to 8% (-3%); increase the target allocation to Domestic Equity from 30% to 37% (+7%) and increase the allowable ranges for Domestic Equity and Domestic Fixed Income to +/-10%. Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Long to establish the large cap to small cap proportions to 70/30 as capital calls come in. Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

6. SWS Shareholders Litigation.

The investment committee agreed to proceed with the shareholder lawsuit against SWS with the BTBG firm. However, before the appropriate pleadings could be filed the investment manager divested OFF of its shares in SWS. Therefore, no action could be filed by OFF. Mr. Edwards reported, therefore, that no action was required by the Board.

7. Imperva Securities Litigation.

Motion was made by Mr. Garrett and seconded by Mr. Long to use Berman Delvaro. Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

8. Herbalife Securities Litigation.

Motion was made by Mr. Garrett and seconded by Mr. Long to use Saxena White. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Freeman, Cramer, Kohls, Duncan, Vanhorn, and Long. Nays: None. Motion carried.

Mr. Garrett, Mr. Cramer, Mr. Long, Mr. Morrison, Mr. Vanhorn, Mr. Carner and Ms. Kohls said they would be interested in going on the Due Diligence trip.

MARC EDWARDS/LEGAL COUNSEL REPORT. DISCUSSION, VOTE, AND ANY OTHER NECESSARY ACTION TO IMPLEMENT DISCUSSION AND VOTE:

1. re: Finisar Corp. Sec. Litig., 11-cv-1252-EJD (AFT) (Waddell)
2. In re: Miller Energy Resources Securities Litigation 11-cv-375 (E.D. Tenn.) (Grant)
3. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) Saxena White)
5. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
6. Reinschmidt v. Zillow, Inc. et al, Securities Litigation, Western
7. Gail Failkov v. Microsoft, Case 2-13-cv-02039 USDC WD Wash (Robbins Geller)
8. McCracken v. Edwards LifeSciences Corp et al.
9. Santore, et al v. IXIA et al Case No. CV 13-08440 USDC CD Calif (Grant)

Mr. Edwards reported the System would be lead plaintiff for this case.

10. FX Litigation Case No. 13-cv-07789 S.D. N.Y. (Scott & Scott)
11. OFP v. K12, Inc. et al: Case No. 1:14-cv-00108 USDC ED of Virginia (BTBG)

Mr. Edwards reported the System would be lead plaintiff in this case.

12. Advanced Micro Devices, Inc.; et al.; Case No. U.S.D.C. N.D. of CA (Bernstein Liebhard)
13. Safeway, Inc. Del Ch. Ct. Case No. 9461
14. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards said there was no litigation to report on.

CODY ZACHARY/LAWTON – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE OCTOBER 24, 2013:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective October 24, 2013. Ayes: Messrs. Morrison, Garrett, Long, Vanhorn, Freeman, Kohls, Duncan, Stone, and Carner. Naves: Adams. Motion carried.

ROBERT E. ADAIR/MUSKOGEE - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 1, 2014:

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective April 1, 2014. Ayes: Messrs. Morrison, Adams, Long, Cramer, Duncan, Vanhorn, Kohls, Garrett, Duncan, and Carner. Naves: Stone. Motion carried.

KEVIN J. FERGUSON/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 1, 2014:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty” to “Service”, effective April 1, 2014. Ayes: Messrs. Morrison, Garrett, Kohls, Vanhorn, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

LUCIOUS PATRICK/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 1, 2014:

Motion was made by Mr. Garrett and seconded by Mr. Carner to modify the Application for Disability in the Line of Duty, to “Service”, effective April 1, 2014. Ayes: Messrs. Morrison, Garrett, Kohls, Freeman, Vanhorn, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

RICHARD KING/YUKON – CONSIDERATION TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Garrett and seconded by Mr. Long to enter into Executive Session. Ayes: Messrs. Morrison, Vanhorn, Garrett, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

Motion was made by Mr. Long and seconded by Mr. Garrett to enter into Open Session. Ayes: Messrs. Morrison, Vanhorn, Garrett, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the request to modify Mr. King’s pension to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Morrison, Vanhorn, Garrett, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

RECEIVE & FILE:

1. IPG – Securities Litigation - \$151.62 – March 2014
2. Insurance Premium Tax - \$4,487,140.96 – March 2014

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the above listed receive and file. Ayes: Messrs. Garrett, Morrison, Long, Vanhorn, Duncan, Adams, Kohls, Freeman, Cramer and Carner. Naves: None. Motion carried.

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones said he had nothing new to report.

DISCUSSION ON TRAVEL REIMBURSED BY THE SYSTEM. BOARD TO TAKE APPROPRIATE ACTION.

Motion was made by Mr. Long and seconded by Mr. Carner to approve due diligence trips for any Board Member that wants to attend. Ayes: Messrs. Garrett, Morrison, Long, Vanhorn, Duncan, Adams, Kohls, Freeman, Cramer and Carner. Naves: None. Motion carried.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

OLD BUSINESS:

NEW BUSINESS:

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet May 16, 2014 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

ADJOURNMENT:

Motion was made by Mr. Carner and seconded by Mr. Adams to adjourn the Board meeting at 10:29 A.M. Ayes: Messrs. Garrett, Morrison, Vanhorn, Long, Duncan, Adams, Cramer, Kohls, Freeman, and Carner. Nays: None. Motion carried.

Submitted by Terri L. Williams, Executive Secretary.