

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met December 20, 2013 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, Scott Vanhorn, Raanon Adams, Dana Cramer, Craig Freeman, Gerald Garrett, Jim Long, Mike Duncan, Jackie Carner, Janet Kohls, Frank Stone arriving at 9:25 A.M. and Brandy Manek arriving at 9:25 A.M.

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

Visitors: Troy Brown and Tim Nash, Bogden Group; Greg Forbes, State Street Custody; David Settles, State Street Global Advisors; Kenneth Wisdom and Harry Pierandri, Portfolio Advisors

Absent: Doug Jacobson

APPROVAL/MINUTES DATED NOVEMBER 15, 2013:

Motion was made by Mr. Long seconded by Mr. Vanhorn to approve the minutes dated November 15, 2013. Ayes: Messrs. Garrett, Morrison, Vanhorn, 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. Cramer and seconded by Mr. Vanhorn to approve the Consent Agenda dated November 15, 2013. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Vanhorn, Freeman, Cramer, Kohls, Duncan, and Long. Nays: None. Motion carried.

STATE STREET CUSTODY/GREG FORBES:

Mr. Forbes gave a presentation for State Street Custody.

STATE STREET GLOBAL ADVISORS/DAVID SETTLES:

Mr. Settles gave a presentation for State Street Global Advisors.

	3 Months Ending <u>11/30/2013</u>	1 Year Ending <u>11/30/2013</u>	3 Year Ending <u>11/30/2013</u>
SSGA S&P Flagship	11.16%	30.35%	17.77%
S&P 500	11.16%	30.30%	17.73%
SSGA S&P 500 Equal Weights	11.01%	35.42%	18.59%
S&P 500 Equal Weights	11.01%	35.31%	18.55%
SSGA Russell Small Cap Complete	11.57%	-	-
Russell Sml Cap Completeness Index	11.56%	-	-
SSGA MSC ACWI Fund	-	-	-
MSCI ACWI ES US Index	-	-	-
SSGA Lehman Intermediate	1.41%	(0.48)%	2.66%
Barclays Aggregate Intermediate Index	1.44%	(0.47)%	2.66%
SSGA Fixed Income Fund	1.36%	(1.60)%	-
Barclays Aggregate Bond Index	1.36%	(1.61)%	-

PORTFOLIO ADVISORS/KENNETH WISDOM & :

Mr. Wisdom and Mr. Pierandri gave a presentation for Portfolio Advisors.

	3 Months Ending <u>11/30/2013</u>	1 Year Ending <u>11/30/2013</u>	2 Years Ending <u>11/30/2013</u>
Portfolio Advisors RE III	7.44%	7.17%	1.69%
Portfolio Advisors RE IV	4.09%	19.62%	8.85%
NCREIF Property Index	2.59%	11.00%	11.00%

BOGDAHN GROUP/ TROY BROWN & TIM NASH:

1. Presenting Manager Review.

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

INVESTMENT COMMITTEE/GERALD GARRETT – CHAIRMAN:

1. Review Performance.

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

	3 Months Ending <u>11/30/2013</u>	1 Year Ending <u>11/30/2013</u>	3 Years Ending <u>11/30/2013</u>
Total Fund	8.40%	20.86%	11.68%
Policy Benchmark	7.85%	19.22%	12.46%

2. Real Estate Review.

Mr. Brown reviewed real estate secondaries with the Board.

3. Presentation by Hall Capital regarding real estate investment.

Mr. Garrett reported the Bogdahn Group recommended an investment of \$10-15 million in the Hall Capital III Fund.

Motion was made by Mr. Garrett and seconded by Mr. Long to fund \$15 million to Hall Capital III Fund. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Nays: None. Motion carried.

4. Private Equity Secondary Review.

Mr. Garrett reported that the Bogdahn recommended allocation of \$25 million to Dune Real Estate Partners. After further discussion, consideration was given to further evaluate Landmark Realty Advisors and other managers in the Connecticut area.

Motion was made by Mr. Garrett and seconded by Mr. Long to schedule due diligence trip to Connecticut and other surrounding areas. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Nays: None. Motion carried

Mr. Garrett reported that the Investment Committee would be bringing in Ardian, Pomona Capital, Capital Dynamics and Dune Real Estate Partners to present secondary real estate and secondary private equity products. Mr. Garrett said they would be having a special meeting for the presentations.

5. Investment Policy Restructuring Review.

Mr. Garret reported the Bogdahn Group reviewed the performance based fee update and provided an analysis.

Mr. Garrett reported that they had reviewed the Investment Policy Classification Adjustment.

Motion was made by Mr. Garrett and seconded by Mr. Cramer to approve the Investment Policy Classification Adjustment. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Naves: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to approve the final version of the Investment Policy as presented. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Naves: None. Motion carried.

6. K-12, Inc. Apparent misconduct resulting in loss to the System.

Mr. Garrett reported that Counsel Marc Edwards recommended that we pursue litigation due to misconduct and retain the Bernstein Litowitz firm to pursue against the K-12 case.

Motion was made by Mr. Garrett and seconded by Vanhorn to pursue litigation against K-12, Inc. with Bernstein Litowitz firm. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Naves: None. Motion carried.

7. Ixia securities class action.

Mr. Garrett reported that Counsel Mark Edwards recommended that we pursue litigation with the Oklahoma Law Enforcement Retirement System against Ixia with Grant & Eisenhofer.

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to pursue litigation with the Oklahoma Law Enforcement Retirement System to seek lead plaintiff status on Ixia with Grant & Eisenhofer. Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Naves: None. Motion carried.

8. FX Trading Litigation.

Mr. Garrett reported that custodial banks used by foreign investment managers were not settling trades accurately. Mr. Garrett said Counsel Marc Edwards provided background information on anti-trust fraud being alleged.

Motion was made by Mr. Garrett and seconded by Mr. Long to retain Scot and Scot to pursue an action against various banks regarding alleged anti-trust fraud.

Ayes: Messrs. Morrison Vanhorn, Adams, Freeman, Stone, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Nays: None. Motion carried.

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

1. In 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. Greg Young vs. Pacific Biosciences of CA, Inc., et al. CIV 509210 Cal Superior Court, San Mateo Div. (Robbins)
4. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) Saxena White)
5. City of Henryetta v. Oklahoma Firefighters Pension and Retirement System and Raymond Eldridge, Oklahoma County District Court, Case No. CV-2012-772 (PM)

Mr. Edwards reported that the City Attorney sent the paperwork that has been filed and this case is pending dismissal.

7. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
8. Gail Failkov v. Microsoft, Case 2-13-cv-02039 USDC WD Wash (Robbins Geller)
9. Lang v. Towers Group International, et al, Case No. 13-CV-5282, USDC, SDNY
10. Manabat v. Velti PLC, et al. Case No. 13-CV-4606 USDC ND Calif (Labaton)
11. McCracken v. Edwards LifeSciences Corp et al.

12. Report on the current status of all other litigation involving the Pension System.

RANDALL M. OLSEN/MIDWEST CITY - APPLICATION ON BEHALF OF FIREFIGHTER FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE DECEMBER 1, 2013:

Attorney Larry Derryberry represented Randy Olsen and City Attorney Tony Pickett represented the City of Midwest City.

FRANK STONE LEFT THE MEETING AT 11:25 A.M.

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

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

Motion was made by Mr. Long and seconded by Ms. Kohls to deny the Application for “Disability in the Line of Duty filed by the Municipality on behalf of Mr. Olsen. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Kohls, Garrett, Long, Cramer, Duncan, Manek and Carner. Naves: None. Motion carried.

FRANK J. KLUCEVSEK IV – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE DECEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Carner to approve the Application for “Disability in the Line of Duty”, effective December 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Long, Garrett, Freeman, Kohls, Duncan, Adams, Manek, and Carner. Naves: None. Motion carried.

MATTHEW WILKERSON/NORMAN - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JULY 28, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective July 28, 2012. Ayes: Messrs. Morrison, Adams, Long, Cramer, Duncan, Kohls, Vanhorn, Garrett, Duncan, Manek and Carner. Naves: None. Motion carried.

DAVID L. CASEY/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE DECEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Long to modify the Application for “Disability in the Line of Duty” to “Service”, effective December 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

MICHAEL J. SPLAIN/BROKEN ARROW – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”

Motion was made by Mr. Carner and seconded by Mr. Freeman to deny the Application for Disability in the Line of Duty and to make him known there is no connection that he was exposed to asbestos and send him the information that the State Doctor had provided to the Board. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

IVORY O. BRENT/OKLAHOMA CITY – REQUEST TO CHANGE PENSION FROM “DISABILITY NOT IN THE LINE OF DUTY” TO “DISABILITY IN THE LINE OF DUTY” DENIED BY THE LOCAL BOARD:

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty” pension for Mr. Brent based on the medical information provided. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

RICKY L. HARRIS/OKLAHOMA CITY – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made Mr. Vanhorn and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty” pension for Mr. Harris based on the medical information provided. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

GORDON L. THOMPSON /TULSA – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty” pension for Mr. Thompson based on the medical information provided. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Kohls, Adams, Duncan, Cramer, Long, and Carner. Naves: None. Motion carried.

JERRY V. WILLIAMS/TULSA- APPROVAL TO PARTICIPATE IN THE OKLAHOMA FIREFIGHTERS DEFERRED OPTION PLAN PURSUANT TO PARAGRAPH 4 OF SUBSECTION H OF 11 O.S. SECTION 49-106.1.

Motion was made by Mr. Long and seconded by Mr. Vanhorn to extend Mr. Williams two years to participate in the Oklahoma Firefighters Deferred Option Plan pursuant to State Statute. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Manek, Carner, and Kohls. Naves: None. Motion carried.

RECEIVE & FILE:

1. Capital Institutional Services \$2,551.74 – November 2013
2. Insurance Premium Tax - \$869,232.79 – December 2013

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

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones reported on the quarterly internal Audit report.

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

Motion was made by Mr. Garrett and seconded by Mr. Long to approve Board Members travel for due diligence trips that will be determined in the Special Investment Committee meeting in January. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Manek, 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 January 17, 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. Garrett and seconded by Mr. Long to adjourn the Board meeting at 1:21 P.M. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Cramer, Kohls, Freeman, and Carner. Nays: None. Motion carried.

Submitted by Terri L. Williams, Executive Secretary.